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FUTURE OF THE HIGHWAY PROGRAM



HEARINGS

BEFORE THE

MMITTEE ON TRANSPORTATION

OF THE

ITTEE ON PUBLIC WORKS

NITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

MAY 24, 1975—MINOT, N. DAK.
JUNE 16, 1975—ALBANY, N.Y.
JULY 14 AND 17, 1975—WASHINGTON, D.C.

SERIAL NO. 94–H22

PART 1

Printed for the use of the Committee on Public Works

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

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FUTURE OF THE HIGHWAY PROGRAM

SATURDAY, MAY 24, 1975

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Minot, N. Dak.

The committee met at 10 a.m., pursuant to call at the Holiday Inn, Minot, N. Dak., Hon. Quentin Burdick presiding.

Present: Senator Jennings Randolph (chairman of the full committee).

Senator BURDICK. The Subcommittee on Transportation will now be in order. We are fortunate to have with us the chairman of the full committee. We would briefly acknowledge a full chairman, and would you like to say a word before I start, Senator?

Senator RANDOLPH. Mr. Chairman and ladies and gentlemen, I am really checking the ladies who are present. There are more females than there are men of voting age in the United States. I don't see very many women here. They hold the power and we acknowledge that at the beginning of the hearing.

I think that because the witnesses are many, and we have a desire to hear the people from the four States at this regional hearing, that I will ask you, Mr. Chairman, that my opening statement be included as part of the printed record. I believe that will conserve our time. Thank you.

Senator BURDICK. Your statement will be made a part of the record.

[Senator Randolph's statement follows:]

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator Burdick, I commend you and the Subcommittee on Transportation today for initiating hearings on "Transportation Problems in Rural America." I want to assure all witnesses and other citizens of the Prairie State here today, that in Senator Burdick you have a distinguished and hardworking representative serving North Dakota in Washington, D.C. For several years he has expressed concern that too little attention has been given to highway needs and public transportation in rural areas. Our purpose in Minot today is to secure information on rural needs which will be addressed in major highway legislation later this summer. I believe there is no better way to understand these problems than by discussing them with people in a state like North Dakota where farm products make up 85 percent of its gross product.

For some years now the Congress has devoted considerable attention to the Interstate system and urban transportation. We undoubtedly need the strong, integrated national highway network which the Interstate provides. We know that urban areas are filled with congestion and pollution and that transit systems are literally falling apart. *But*, we cannot continue to neglect rural roads and bridges, which has been the case in the United States since the mid-fifties.

Poor rural transportation is especially harmful to agriculture, for at a time when there is considerable demand for exports, we are discovering that our transportation system is not capable of moving farmer's goods to market.

Consider also, the direct relationship between good transportation and economic development. If rural residents are without adequate transportation, they cannot get their jobs. In our country today there are over two million rural households without automobiles. Rural public transportation, if it exists at all, runs too infrequently to adequately serve its public. Businesses, in looking at investment potentials, will not locate in areas which are deficient in transportation services.

Major problems also exist for rural poor, elderly, and handicapped citizens. In many cases, they cannot find transportation to clinics, shopping centers, or social services on which they depend for care and relief from feelings of isolation.

For these Midwestern hearings, Senator Burdick has assembled an impressive array of witnesses. I believe that we in Washington can gain valuable insight into problems of local nature by getting out and visiting in your own backyard, and seeing the problems first-hand.

I look forward to hearing your testimony and I know that it will be helpful to us as we in the Public Works Committee begin to develop transportation policy for the last quarter of this century.

Senator BURDICK. I welcome all of you to the hearing. I am sincerely pleased that so many of you have taken the time out of your spring planting and Memorial Day weekend schedules to be with Senator Randolph and me today.

Perhaps with this brief introduction, I think we can begin. I will ask all—remember, our witness list is a long one, and you would be asked to limit your oral presentation. Your presentations will be fully studied in the fall, and I again admonish that you hold your oral testimony to as short a time as possible. And our first witness this morning will be the Honorable Mr. Link, Governor of the great State of North Dakota. Art, you may proceed.

STATEMENT OF HON. ARTHUR A. LINK, GOVERNOR, STATE OF NORTH DAKOTA

Governor LINK. Thank you, Senator Burdick. May I formally welcome you and Senator Randolph to North Dakota. We are especially appreciative of your coming here. Having served 2 years in Congress during the 82d Congress, I know personally what this means. I know the effort you are making, and I want you to know that our people are deeply appreciative of your coming here to receive this testimony.

Senator RANDOLPH. Thank you, Governor. Of course, you realize it concerns the people of this four-State area, but particularly North Dakota, the State of which you have the responsibility of the governorship. Those concerns must be the concerns of the Senate of the United States and of the Congress. That's why we're here and we're going to listen very carefully. We hope that we will take back with us those solid facts that assist in drafting of legislation. It is a genuine sense of responsibility to the growing and continued needs of rural America.

Governor LINK. Thank you, Senator. With your permission, I would like to present the following testimony.

First, let me express my deep appreciation to this subcommittee for their effort to "go to the country" to seek rural input into Federal highway programs. North Dakota citizens and State agencies will do their best to make your effort productive. Most of our statements are based on North Dakota, but facts are to a large degree similar in all

rural States. This presentation is in reality a presentation for the rural Midwest—that part of our Nation which produces the food and fiber to support industrial areas and for export throughout the world, and where production methods are the most efficient ever developed.

This hearing is in one of the most rural States in our Nation. A rather sparsely populated State where 620,000 people live in a 70,665 square mile area; where crops are harvested on close to 20 million acres. The State has only one urbanized area with a population of over 50,000. The primary transportation problems are those related to the economic and social needs of a population widely dispersed but with a heavy reliance and very heavy use of highway transportation. The reason for reliance on and use of roadways is simple—there is no other method to efficiently gather and move our produce or to serve the widely dispersed needs of a rural population.

The number of vehicles and particularly trucks registered indicates the rural reliance on roadways. Vehicle registration for 1973 in relation to population shows Wyoming with one truck for each 3.28 persons; Montana, 3.42; and North Dakota, 3.47. Compare this to New York with 24.11 persons per truck and Illinois with 13.84.

North Dakota is more affected by change in transportation technology and economics than almost any other State in the Nation. Everything we produce must move long distances to reach the market and finished products we consume move great distances to the local user. The territory had little development until after 1880 when James J. Hill started building his railroad through North Dakota. Our citizens' interest and investment in transportation has been constant to the time of this hearing. North Dakota was one of the very first States in the Nation to institute user fees to develop our road system. Vehicle registration fees were started in 1911 and gas tax in 1919. The last session of our legislature continued the policy of designating an equitable share of State income to road development.

The people of North Dakota have considered dollars spent on roadways as investments in the future—investments in the total effort to improve production and marketing practices. There is a limit to the dollars a small population can spend to maintain an extensive road system—the benefits of which are reflected in reduced food and fiber costs in major population centers or in this Nation's ability to market its goods in world trade.

In the continental United States only one State, Wyoming, has less user revenue than North Dakota. No State has the mileage of roads and streets per 1,000 population maintained in North Dakota. The rural States of Montana, South Dakota, and Wyoming all face similar circumstances—low population supporting extensive roadway mileage as an essential part of a production unit.

Deep national concern is expressed over food, energy, and production efficiency. North Dakota is a net exporter of food, energy, and people.

Only seven nations in the world grow more than enough food to feed their own people. The United States is the No. 1 exporter of food, shipping as much as the other six exporting nations combined.

A vast amount of this food comes from the Midwest. Much of it from North Dakota where we consistently rank first or second in the production of Durum, Hard Spring Wheat, barley, rye and flaxseed.

We are also one of the leading producers of potatoes, edible beans and sugar beets. The huge tonnage involved in gathering, consolidating and marketing this crop can hardly be conceived. The 1973 wheat crop alone amounts to 252½ million bushels or in excess of 7 million tons. The total output of principal crops harvested in 1973 was 14.5 million tons. This total is well below the record 16.3 million tons of 1971.

Fewer and fewer farmers are producing more and more food on the approximately 20 million acres harvested each year. The productivity of our farms has amazed the world. It is a generally accepted fact that ability to produce, the advancement of agriculture, has far exceeded the advancement in transportation. Government should give a top priority to the growing of food and the low-cost transportation of this food to where it is needed most. Wheat in the field has little value; it is bread on the shelf in Chicago or New York which has real value.

Increases in food prices in 1973 and 1974 startled the American people into investigations of the cause for such increases. Wheat quoted at $4 a bushel on the Minneapolis Exchange does not mean $4 a bushel to the farmer. It means $4 a bushel less all transportation costs.

The ability to produce food in mass quantities at low cost is important, but of equal importance is the ability to gather this crop, consolidate it in storage and, at a reasonable cost, transport the food where it is needed.

Two concepts of phases of thinking have passed in relation to highway need. The first was simple—get out of the mud. The second phase came at the demand of the public. Cars were an important part of this thinking. The public wanted a general network of all-weather roads; safety and economic results were not important.

Today the compelling factor in highway needs is economic—the very basic economics of reducing the cost of production, transportation and marketing. For the first time the public is realizing that the rural roads in West Virginia affect the price of apples in New York, or the rural road system in North Dakota may determine the price of bread in Washington, D.C. or Japan, or may even determine if our wheat can have a free world market.

In a rural State we must view our roadways as a total system—a system required to serve over 70,500 square miles and 20 million harvested acres and the widely dispersed rural population with the flexible movement required to care for their social, educational, and health service needs. The rural communities and individual farms have an almost total dependence on roadways, on cars, and trucks. During 1973, 96 percent of the passenger miles traveled in North Dakota was by highways. This was 6.3 million passenger miles. The highways of the State and the trucking industry transported 51 percent of the commodity tonnage in 1973.

The gathering of individual farm production and consolidation of that production in on-the-farm storage, local elevators, potato warehouses, or other fixed storage is a truck operation. This gathering system is close to 78,000 miles of township roads and trails which grid into just under 18,000 miles of county roads and the 6,900 plus miles on the State system. Less than 1 percent of the township roads are hard surfaced; 55 percent have a gravel surface; 10 percent are

graded and drained; and 35 percent are unimproved roads. This is a primitive road system for today's farmer. Of the 18,000 miles on the county system, under 12,000 miles are assisted with Federal aid. The county system is 15 percent hard surfaced; 82 percent gravel surfaced. The remainder only graded and drained or unimproved. It is an obvious fact that this level of roadway has not kept pace with the economic and social need. The farmer has expanded production and reduced cost by purchasing expensive field equipment and larger and larger trucks to reduce production and marketing costs. The greatest additional economic gain will be realized by roadway improvements which allows full use of the marketing advantage this investment can bring not only to North Dakota but the Nation as a whole.

I have said little about the movement of people, our energy development and industrial development, and the human service needs of so widely dispersed a population. Others have or will cover these subjects, but let me just touch on some of them.

It is difficult for people in large centers of population to realize the educational, social and other service problems facing rural North Dakota.

A recent report shows five counties in North Dakota have no doctors at all, that only 80 towns have physicians, and over 90 percent of the specialists are in the eight largest cities. Good roadways are essential to our health care needs. A subsidized transportation system for aged and low-income citizens is very badly needed.

Our rural educational system is based on consolidated schools—a system developed to bring the best possible education to the widely dispersed rural children. This system requires public school buses. Close to 1,700 school buses transport over 55,800 pupils to and from school each day. This is over 24,700,000 miles in a school year. School buses must travel on all types of roads, from the most primitive trail to the excellent interstate. Each and every roadway improvement decreases the cost of education in North Dakota.

As I understand your purpose, you are seeking input for future transportation programs. I firmly believe that dollars dedicated to roadway improvements are dollars invested in the future. Dollars invested in rural, agricultural States are in reality invested in a marketing system and to support the most efficient food production system in the world.

Your presence here indicates a strong interest in our needs and a concern for continued development of a total transportation system. I am certain you will find your time in North Dakota well spent. We appreciate and thank you for your concern.

Senator RANDOLPH. Governor Link, with the permission of the Chair, when you speak of the development of transportation in North Dakota, you have focused attention very quickly, but properly, on rail development.

Governor LINK. Right.

Senator RANDOLPH. Senator Burdick and I would like the record to reflect that the Senate passed legislation in recent days that would provide for a rebuilding of the deteriorated roadbeds of the rail system of this country. Not only from the standpoint of safety and movement of people as passengers on trains, but also in the movement of vital products from the farm and the factory and the fields and the mines.

We have very frankly, in West Virginia, today the movement of our coal at 15 to 20 miles an hour slower because of the deteriorated condition of the tracks. We regret very much that it was necessary to have this matter carried until after the recess when the House and the Senate go back on June 2. I am not misunderstanding, of course, of the House, but they would not accept this. They would not agree with the amounts, $700 million including $100 million for materials that we had placed in the Senate bill.

We had an authorization for the appropriations of this money, and Senator Burdick and Senator Young, both of this State, are cognizant of this problem. We hope that the House will agree with us when the Congress resumes in June. We must not allow our rail system to deteriorate to the extent we actually close down in this country. We need a rail system and I appreciate the fact that you have mentioned this. We need to employ maintenance of wayworkers; these men have been laid off by the tens of thousands throughout the country.

Governor LINK. I offer my personal commendation for understanding of your concern for the total transportation system of this country. I think we're all cognizant of the interrelationship of the total needs of the total system, and I commend you for your interest.

Senator RANDOLPH. Approximately 40,000 persons now unemployed that could be doing that work.

Senator BURDICK. Thank you, Governor, for the fine contribution this morning. I want to depart just for a second. The hearing is interrupted by a telephone call and it might be of interest to you and the press that you had asked for a declaration—emergency declaration of major disaster in a certain number of counties. The White House in Washington formally advised me that it was granted today.

Now, that's of particular interest to people in the Minot area, I am sure.

Governor LINK. Thank you.

Senator RANDOLPH. Mr. Chairman, just this one comment to the Governor and to all who are intensely interested in rebuilding and new construction of our rural road system. We have in this country, under the Federal-aid programs, approximately 3.7 million miles of roads. Less than one-half of that is paved. People don't realize the extent of the unpaved roads in this country. I recall recently a county engineer came in from Iowa and indicated that of 800 miles of roads in that county, only 10 percent are paved. Thank you, Governor.

Senator BURDICK. Thank you, Governor Link.

Governor LINK. Likewise, it is inconceivable for us unless one knows it firsthand, the added cost of production to the individual farm operator or the person who assumes the responsibility of transporting farm produce, the added cost, that is generated by inadequate roads, the wear and tear on equipment, the cost in energy in moving a given quantity of produce over an unimproved road. It's tremendous. So again road improvements are very worthwhile, important investment. Thank you, again, Senator.

Senator BURDICK. Thank you, Governor.

Senator RANDOLPH. Mr. Chairman I am glad you called attention to the situation of flooding. I recall so well the hearings that you held on disaster relief legislation throughout the United States which gave us the opportunity to draft a bill. Now, after a disaster has been

declared by request of the Governor, and with the approval of the President we are able to have programs that are not hit and miss.

Senator BURDICK. At this time, without objection, I ask that the statement of Hon. Mark Andrews, U.S. Congressman be part of the record.

[The statement follows:]

STATEMENT OF HON. MARK ANDREWS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Mr. Chairman, I welcome this opportunity to express my views on rural transportation. I thank you for your interest and am most pleased that you selected North Dakota, the most rural state in the nation, as one of the sites of your field hearings. You will hear substantial testimony on U.S. Highway #2, which is an excellent example of the need for adequate funding of the priority primary highway system. I commend the citizen participation and action by the members of the "Communities for a Modern U.S. #2" as well as numerous other North Dakotans who will testify today before your subcommittee. I, and the people of this great state I am privileged to represent, are concerned, of course, with transportation deficiencies in rural areas in both the movement of person and property.

First, I would like to address my remarks to the "people moving problem", which includes getting rural Americans to health care facilities, to shopping areas, to places of employment, and to urban centers whose specialized services are often a necessity.

Unfortunately, it is this "people moving problem" which often gets put on the shelf. Personal and painful hardships result, especially to the elderly.

When you consider the fact that there are only 14 Congressmen out of the entire 435 Members of the House of Representatives from predominantly rural and agricultural districts, it is easy to see why the problems of rural transportation have been ignored.

In our own state of North Dakota, people in rural areas often have to drive 75 to 100 miles, just to see a doctor. We drive further just to get to church, work and school than those in urban areas. Recently released figures from the Federal Energy Administration indicate that North Dakota is one of four rural states—the others being South Dakota, Wyoming, and Nevada—where per capita gasoline consumption is 700 gallons or more. On the other hand, New York's per capita consumption is under 400 gallons. This fact alone illustrates our dependence on rural roads for our transportation.

Citizens in our state do not have the luxury of walking out their door to the subway or bus stop which will take them wherever they need to go.

As you know, the emphasis on mass transit is well and good but of no help in North Dakota where we have no mass transit system and air and rail services are confined to only major population centers of our state.

Although the 1974 Amendments to the Federal Aid to Highway Act authorized $15,000,000 for the current fiscal year and $60,000,000 for fiscal year 1976 for demonstration mass transit projects in rural and small urban areas, I do think that a more extensive program should be undertaken if we are to properly serve rural America. Block grants to local municipalities which would provide bus service for senior citizen centers should be strongly considered.

Another problem in the field of rural transportation that is of great concern to me is the lack of adequate rural roads and bridges. Some farmers today are literally locked out of transporting their grain to local accessible markets because heavy trucks can't use bridges that were built 30 and 40 years ago.

A 1974 survey revealed that half of the 6,500 bridges located on rural county and township roads in North Dakota are *unsafe*—too narrow and too unsound for loads over ten tons.

In view of the importance of these roads to rural residents, farmers hauling grain and livestock to market, and school buses, the condition of these bridges is evidence of the crunch local taxpayers find themselves in today. State and federal resources and attention have been focused on the federal highway system, ignoring the fact that maintaining a sound network of rural roads is not only important for the safety and convenience of rural citizens, but it is also essential to the transportation of the foodstuffs the rest of the nation relies on.

Last year, I introduced legislation that provided $75 million in each of the next two fiscal years for replacement of unsafe bridges on county and township roads. This money would have been allocated on a four-part formula taking into account state size, dollar volume produced by agricultural and mining products, rural population and non-Federal Aid system public road mileage.

The money would have come from dollars in the Highway Trust Fund and would not have required any additional taxes, nor would it have shortcut any of the existing road programs. By broadening Trust Fund activities to help solve rural road problems, benefits would also accrue to hard-pressed property taxpayers who live in town and now see a part of their tax dollars go for this purpose.

Unfortunately, the Federal-Aid Highway Amendments of 1974 went only part way in accomplishing the goal of adequate funding for replacement of defective county and township bridges. Although this recent law incorporates some of the concepts embodied in my legislation, it fails to provide a permanent fund for replacing bridges. In addition, the Department of Transportation requirement of matching funds may deprive local counties who need the funds most, but are currently in financial straits, the ability to renovate these structures.

In order to meet this rural bridge problem, a serious consideration must be given to legislation which amends the Special Bridge Replacement Program and allows for emergency funding of bridges on off-system roads. Establishment of a permanent Federal fund for a priority bridge program on off-system roads is also an alternative that needs examination.

But inadequate bridges are only a part of the whole transportation system of collecting food from the farm and getting it to our domestic and foreign markets. Unfortunately, rural America is still in the horse and buggy stage when it comes to meeting the demands of an accelerated farm export program. The delays farmers experienced in obtaining boxcars and jammed port facilities speak for themselves.

In the past, most rural areas have had two modes of transportation service available to some degree for moving their products to storage or to market, and for receiving shipments of supplies and goods from other sources. These two modes were the highways and railroads.

Unfortunately, during the last 35 years, a national total of 46,000 miles of track have been abandoned by the railroads. This mileage is virtually all located in rural areas. Further abandonments are being planned. And, of course, adequate maintenance of rail lines which are not able to pay their own way is often foregone by the carriers.

In areas where the railroad service has been withdrawn, the shippers are forced back to a single mode—highways. And here lies the core of our rural transportation crisis—the inadequacy of many rural roads and bridges to meet the increased demand.

As you know, a number of studies have been made of the critical situation of the present, and growing, need for highway transportation, contrasted to the deplorable state of so much of our rural roads.

One such study was done by the Economic Research Service of the Department of Agriculture and another study was done for the Congressional Research Service by the National Area Development Institute of Lexington, Kentucky.

Both studies make specific recommendations with respect to both rail and highway improvements. They are numerous, and rather technical.

In North Dakota, this increased demand on our highway systems has been severely felt on U.S. Highway #2, which runs through our entire State from Grand Forks to Williston and extending east and westward into neighboring states. The importance of U.S. Highway #2 was underscored by its designation in March 1974, as a number one priority primary highway for North Dakota.

The relationship of U.S. Highway #2 to our agricultural economy and its role in moving food commodities to market can be seen by noting that eight of our top ten wheat producing counties including the top five, are served by Highway #2. And 95 percent of the durum wheat produced in the United States is produced in counties depending on Highway #2. Six of the top ten including the top three barley producing counties depend on Highway #2. Grain truck traffic alone now amounts to more than 86,000 vehicles annually.

In addition, the pressure on this highway from Grand Forks and Minot AFB personnel, as well as the 300,000 North Dakotans who have to depend on it, is substantial.

Consequently, I endorse any action you could take that results in expeditious completion of this essential highway for our state.

In the 1940's and 1950's, Mr. Chairman, we directed our efforts to inter-city highways, and we responded with the massive Interstate System network now substantially completed. In the 1960's and early 1970's it was urban mass transportation. We responded with successive mass transportation legislation embodying a major Federal program which is just now beginning to emerge in its potential.

Rural America cannot wait any longer. Highways such as U.S. #2 must be fully funded—it is important to agriculture—it is important to consumers and other users. May the program you establish for rural transportation be of a magnitude which matches the magnitude of the problem. A fully funded priority primary highway system is worth serious consideration.

I urge the Committee to take action along these lines. And again, I thank the Committee for affording me the opportunity to focus attention on the urgency of the transportation situation facing this rural area and others throughout the nation.

Senator BURDICK. We have as our next witness, Lieutenant Governor Sanstead from the big city of Minot.

STATEMENT OF HON. WAYNE G. SANSTEAD, LIEUTENANT GOVERNOR, STATE OF NORTH DAKOTA

Mr. SANSTEAD. Mr. Chairman and members of the subcommittee, I am Wayne Sanstead, the Lieutenant Governor of North Dakota. I appreciate the opportunity to appear before this committee to present my views and comments on improving rural transportation. I am also well aware of the interest and understanding expressed by Senator Jennings Randolph and committee members on rural transportation.

There is undeniable evidence that the growth of communities along Highway No. 2 has suffered. We know that northern counties along Highway No. 2 experienced a 5½ percent population loss over the last 10 years while communities along I–94 gained 4½ percent in population. All this difference probably is not due to the highway situation, but evidence shows that a lot of the difference in growth is due to difference in major east-west highways. This belief is supported by the fact that in the decade before I–94 was built, the communities along Highway No. 2 were growing faster than those in the southern part of the State.

There is also evidence to demonstrate that Highway No. 2 is unsafe compared with interstate highways.

According to the North Dakota Highway Department, the fatality rate is four times greater on U.S. highways than on the Interstate. No major improvements have been made on Highway No. 2 since World War II—with exception of the Grand Forks Air Force Base, Devils Lake, and Rugby interchanges. The highway is very narrow in places, as well as being plagued with pavement breakups during normal winter thaw.

There is a demand for a good Highway No. 2. This is evidenced by the fact that despite its deplorable condition, Highway No. 2 gets almost 40 percent of the traffic on I–94.

Also, there is a lot of talk lately about developing North Dakota natural resources. As Governor Link pointed out, "without a doubt, North Dakota's greatest resource is the food we produce; it's becoming clearer every day that in addition to the energy crisis, we face a food crisis." Most of the top 10 wheat-producing counties depend on Highway No. 2. The same goes for Durum and Barley.

Highway No. 2 is the path to many recreational areas, not only in North Dakota, but also in Montana, Minnesota, and Wisconsin. I

am told that travel organizations, such as AAA are reluctant to route tourists on Highway No. 2 because of its condition.

I am concerned with the condition of Highway No. 2 for several reasons. One: I live in Minot which depends upon Highway No. 2 for east-west travel, and as a State elected official I must travel this highway many times on business.

Second: This highway is used by many students who are attending the University of North Dakota located at Grand Fords.

Also, growth of communities along Highway No. 2 will provide jobs for the young people of North Dakota. One of the biggest problems facing North Dakota is that its young people are leaving the State to find work.

But there is even more at stake; as people leave the rural areas and move to the big cities, more and more problems are created—overcrowding, pollution, etc. Also a whole way of life is at stake—the rural lifestyle of small communities and cities as opposed to the dehumanization that occurs in the sprawling metropolitan areas.

The improvement of Highway 2 is important in keeping northern North Dakota alive.

I hope your committee and the U.S. Congress will take action to assure continued funding to meet the growing needs of rural transportation.

Senator BURDICK. Thank you Mr. Stanstead, we appreciate your taking the time to be with us today.

At this time I will call upon the military panel, consisting of the following: Brigadier General Stuart H. Sherman, Deputy Chief of Staff/Engineering and Services, Headquarters, Strategic Air Command, Offutt AFB, Nebr., accompanied by Colonel Sheldon J. Lustig, Assistant Deputy Chief of Staff/Engineering and Service, Headquarters, Strategic Air Command, Offutt, AFB, Nebr.; Colonel William J. Poad, Chief, Engineering Division, Deputy Chief of Staff, Programs and Resources, Headquarters, USAF, Washington, D.C.; and Howard Duke Niebur, Senior Engineer for Highway Systems, Office of the Special Assistant for Transportation Engineering Military Traffic Management Command, Department of the Army, Washington, D.C.

Welcome to the committee, gentlemen. Your statement will be part of the record. Proceed in any manner, and we also appreciate your expedited statements.

STATEMENT OF BRIG. GEN. STUART H. SHERMAN, DEPUTY CHIEF OF STAFF, ENGINEERING AND SERVICES, HEADQUARTERS, STRATEGIC AIR COMMAND, ACCOMPANIED BY COL. WILLIAM J. POAD, CHIEF, ENGINEERING DIVISION, DEPUTY CHIEF OF STAFF, PROGRAMS AND RESOURCES, HEADQUARTERS, USAF; AND HOWARD DUKE NIEBUR, SENIOR ENGINEER FOR HIGHWAY SYSTEMS, OFFICE OF THE SPECIAL ASSISTANT FOR TRANSPORTATION ENGINEERING MILITARY TRAFFIC MANAGEMENT COMMAND, DEPARTMENT OF THE ARMY

General SHERMAN. Colonel Lustig is not here. He's my deputy, and I left him at home to mind the store. If it will please the chairman and Senator Randolph, I will proceed with my statement, and then Mr. Niebur will proceed with his.

Mr. Chairman, we appreciate the opportunity to appear before this committee to present Department of the Air Force interest in public highway matters. This interest includes two broad categories: the general highway system and specific defense access roads.

GENERAL HIGHWAY SYSTEM

The first and largest category of roads mentioned, the general highway system, is comprised of those public roads and highways, usually outside the boundaries of military installations, which most Americans—military and civilian—use every day, for business and pleasure. These are our interstate, primary, secondary, and other specifically recognized networks of public roads. The quality of the system, of course, covers the entire spectrum from the paved superhighways to the farm-to-market roads. While Air Force vehicles do use this road system, the traffic so generated is small compared to commercial and private users. Of the Air Force generated traffic, the major users are military personnel and civilians getting to and from the job in private or commercial vehicles and commercial firms doing business with the base. These trips all generate tax revenue which contributes to the construction, operation and maintenance of the general highway system.

POLICY

To insure that the national defense is served by adequate, safe and efficient highway transportation, the Air Force conforms with Department of Defense policy to:

One: Integrate its highway needs into the Nation's civil highway programs.

Two: Maintain an efficient relationship between the design of Air Force vehicles and State and Federal standards for the design and use of public roads.

Three: Cooperate, through established Department of Defense channels, with the Federal Highway Administration in the Air Force use of public roads.

SYSTEM ADEQUACY

While any improvement in the general highway system could benefit the Air Force and its people, the existing public road system in this area is adequate for Air Force needs.

SPECIFIC DEFENSE ACCESS ROADS

Defining the second category of interest, a Defense access road is one that is authorized to be improved, wholly or partially, with Federal funds under title 23, United States Code, section 210. Simply stated, a Defense access road is an existing or proposed public road which is needed to provide essential highway transportation services from a military reservation or defense industry or activity to suitable transportation facilities. As suggested earlier, the Department of Defense relies upon State and local highway agencies to develop and maintain adequate roads to serve permanent Defense installations in the same manner in which these agencies serve other traffic generators. Thus, general public road improvements which directly benefit Air Force

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installations are evaluated by the appropriate highway agency in terms of their relative priority considering all highway needs under its jurisdiction.

SPECIAL REQUIREMENTS

The Department of Defense recognizes, however, that unusual impacts on highway programs may be created by the establishment of new or expansion of existing Defense installations and activities. Accordingly, the Defense access road program in title 23 of the United States Code was established to provide improvements to public roads in the vicinity of Defense activities when such improvements cannot be equitably provided by highway authorities. These unusual impacts generally are related to:

One: New defense installations or significant changes of existing ones.

Two: Short duration requirements for a public road which cannot be justified as part of a regular highway program.

Three: Local township or county roads which require immediate major improvements for defense generated traffic. In summary, then, the defense access road program has been established to provide a means for defense agencies to pay their fair share of the cost of unusual highway improvements needed for adequate highway service to Defense installations and activities.

MINUTEMAN TRANSPORTER-ERECTOR ROUTES

Restricting our comments to the special access road requirements that the Strategic Air Command has with its missile mission, our primary interest centers on the so-called transporter-erector routes. The Defense access road program was the channel for providing Defense funds in the early 1960's specifically for road improvement to accommodate the vehicle used to transport the minuteman intercontinental ballistic missile. Existing roads were surveyed and found to be insufficient to handle this larger vehicle. Not only was a major funding effort expended on this initial upgrade program, but the Air Force also contributes to periodic regravelling and pays for extraordinary Air Force requirements.

TRANSPORTER-ERECTOR ROUTE CONDITION

The existing paved and gravel roads designated as Minuteman transporter-erector routes have proved through more than a decade of reliable service to meet present and anticipated Strategic Air Command operational needs.

Once again, Mr. Chairman I'm pleased to appear before this committee. Should you have any questions, we will be happy to provide additional information.

Senator BURDICK. I think we will defer the question until the other members of the panel have spoken. Who would like to speak next? Mr. Niebur?

STATEMENT OF HOWARD DUKE NIEBUR, SENIOR ENGINEER FOR HIGHWAY SYSTEMS, OFFICE OF THE SPECIAL ASSISTANT FOR TRANSPORTATION ENGINEERING, MILITARY TRAFFIC MANAGEMENT COMMAND, DEPARTMENT OF THE ARMY

Mr. NIEBUR. My name is Howard Duke Niebur, senior engineer for highway systems, Office of the Special Assistant for Transportation Engineering.

I am appearing in behalf of Maj. Gen. H. R. Del Mar who is the executive agent designee for the Department of Defense in all matters relating to the defense interest in public highways. The Military Traffic Management Command appreciates the opportunity to appear before this committee regarding rural transportation and, in particular, the Nation's rural road system.

RELIANCE ON CIVIL HIGHWAY PROGRAMS

Highway system needs related to national defense are accomplished under civil highway programs. There are two reasons for this reliance on civil programs. First, defense-generated traffic produces essentially the same road user tax revenues for State and local levels of government as does other traffic. Second, title 23 of the United States Code authorizes a continuing Federal grant-in-aid program to assist the States and local levels of government in highway construction. The Federal Highway Administration as the agency in charge of that program is our liaison for the defense interest in all Federal, State, and local highway programs.

To insure that the national defense is served by adequate, safe, and efficient highway transportation, it is Department of Defense policy to:

(*a*) Integrate its highway needs into the civil highway programs.

(*b*) Maintain an efficient relationship between the design of military vehicles and State and Federal standards for the design and use of public highways.

(*c*) Cooperate with Federal, State and local agencies in the defense use of public highways and in planning their development and construction.

HIGHWAY SYSTEMS

The military services indicate that the existing public highway system in this area is adequate for their needs. This condition reflects the success of the policies of the highways for national defense program and the cooperation of the Federal Highway Administration, the North Dakota State Highway Department, and local levels of government.

The Military Traffic Management Command informed the Federal Highway Administration this past year of the Defense interest in future Federal-aid highway programs. Some of these interests do include an element of relationship to long-range highway system needs in rural areas. I will discuss three of these interests.

It has been Defense policy that Army, Navy, and Air Force commanders not insist upon direct service to their installations by routes of the national system of interstate and defense highways. The rationale for this is that the primary importance of the interstate is the

strategic value to national defense of the integrated system, rather than specific route importance. The system's capability to provide for expeditious deployments of defense forces and material throughout the Nation, and to serve as the backbone for supporting mobile offensive or defensive weapon systems, has been and continues to be of primary interest to the Department of Defense.

Now that most of the interstate mileage has been completed or is nearing completion, it is appropriate to focus attention on another important defense need, that of providing effective service for defense-generated traffic under mobilization conditions or during peacetime. In light of our policy of not insisting on direct interstate service, the connectors between major defense activities and interestate routes become important links in the defense logistics chain. From a defense standpoint, the physical completion of the interstate automatically establishes as highest relative priority a program for the development of effective connector routes serving national defense activities. The Military Traffic Management Command has requested the Federal Highway Administration to consider this matter in the development of future Federal-aid highway programs.

The third interest relates to Federal-aid highway status for existing roads serving defense installations. Such roads are eligible for improvement or repair under provisions of the Federal-aid highway acts—particularly provisions for reconstruction and repair in the event of a catastrophe, disaster, or emergency. The Federal Highway Administration has been informed of Defense policy calling for at least one road serving each major military installation to be on a Federal-aid highway system.

DEFENSE ACCESS ROADS

Highway improvements to serve national defense are generally accomplished under normal Federal-aid, State or local highway programs, since Defense-generated traffic produces essentially the same road user tax revenues as does other traffic. The Department of Defense recognizes, however, that unusual impacts on highway programs may be created by defense installations. Accordingly, the defense access-road program was established under title 23, United States Code, section 210, to provide improvements to public highways serving defense installations when such improvements cannot be equitably provided by highway authorities.

The State of North Dakota is unique in the quantity of access road improvements which have been accomplished here, primarily because it is likewise unique in being the location of an inordinate amount of weapon systems, both offensive in the deployment of the Air Force's Minuteman system and also defensive in the deployment of the Army's Safeguard system. Access road improvements in North Dakota total about 1,300 miles and have cost almost $18 million. The majority of defense access roads in this area are related to Department of the Air Force activities.

Thank you, Mr. Chairman, for this opportunity to testify. If you have any questions, I will be happy to provide additional information.

Senator RANDOLPH. General Sherman, you have indicated that our interstate system also has its defense aspects. This was recognized in the very name attached to the original act in 1956. It was to be an

interstate and defense highway system, national in scope. All the engineering of that road system was to take into account the needs of the various segments of our military forces. Now, the Strategic Air Command in North Dakota is very important and I want to have the record reflect the number of personnel, if permitted to give it, that are now stationed in North Dakota.

General SHERMAN. Senator Randolph, allow me, for the record later on, to give the precise number. I can give the approximations now in terms of military at Grand Forks. It would be approximately 5,200. And at Minot Air Force Base, it would be approximately 5,900; civilian, civil service workers approximate 700, 800, respectively. At Grand Forks and Minot, this, of course, does not include the dependents associated with their active sponsors. This would just be the active members.

[The following information was subsequently supplied:]

PERSONNEL STRENGTHS

The exact number for Grand Forks Air Force Base is 5,449 military and 839 nonappropriated fund and civil service civilians for a total there of 6,388 active sponsors. At Minot there are 6,493 military and 1,040 civilians for a total active strength of 7,533. These figures do not include dependents and are as of July 14, 1975.

PERSONNEL STRENGTHS

Senator BURDICK. ABM personnel——

General SHERMAN. No, sir. These are only the Air Force personnel. I don't have the number associated with——

Senator RANDOLPH. Not too important as to precise figures. You have given us the approximate figure of 14,000 persons, is that correct?

General SHERMAN. Yes, sir.

Senator RANDOLPH. Mr. Chairman, there are not too many States that have such complements of the Air Force in any aspect of our defense program, is that right, General?

General SHERMAN. That's true, sir. There are not very many States that have such a large——

Senator RANDOLPH. And understand, of course, the location and other elements that we consider. And I think that you, therefore, bring to this hearing a very important part of our concern; that is, we recognize the original intent of the law was to take care of the defense of the country, and that means that the installations and the personnel and facilities must be served, is that correct?

General SHERMAN. That's correct, sir.

Senator RANDOLPH. This is very important testimony which has been given by you and Mr. Niebur, and I am sure the other gentlemen here would reinforce what you have been saying. How old are you, General?

General SHERMAN. Forty-three, sir.

Senator RANDOLPH. You are a very young man. And they say the Air Force gives the young men opportunity to become generals a little quicker than some other forces.

General SHERMAN. I have three children, the last one of which has graduated from high school this year, sir.

Senator RANDOLPH. What's your native State?

General SHERMAN. I was born in North Carolina and raised pretty much on the east coast. I have served a great number of years in the Midwest, which I have come to love very much.

Senator RANDOLPH. I commend you and the others who are in the Armed Forces. Sometimes we speak too quickly and too lightly of the Services, of men like you and others by tens of thousands who keep our republic strong from the standpoint of defense. Thank you, very much.

General SHERMAN. Thank you, Mr. Chairman. We appreciate your support.

Senator BURDICK. Our next witness is George Seaworth, Division Engineer, Federal Highway Administration, Bismarck.

STATEMENT OF GEORGE H. SEAWORTH, DIVISION ENGINEER, FEDERAL HIGHWAY ADMINISTRATION

Mr. SEAWORTH. Mr. Chairman, Senator Randolph. I am George Seaworth, Division Engineer for the Federal Highway Administration, and it is my pleasure to appear before you today to discuss rural highway transportation.

An effective transportation system is necessary for rural development, although that alone does not guarantee such development. In recent years, a general decline in railroad facilities and service and the mobility problems of rural people have caused concern that the rural transport system is in trouble, and that transportation problems could prevent the full use of agricultural resources, as well as inhibit rural development.

A well-developed system of roads and highways is necessary for a functioning market economy in rural areas, as well as for future development prospects in rural communities. Accordingly, the main questions about the adequacy of the 84 percent of the Nation's road network which is classified as rural, concern quality rather than need for extension of mileage or increase in vehicular capacity. The quality of these roads. and their bridges is variable within local areas.

One consideration in appraising road capacity is the size of the loads carried, which, on main rural roads, has shown a dramatic increase. Another is the frequency of heavy loads which shows a corresponding increase. When the available information is considered, there can be no doubt that there are deficiencies in the rural road networks.

The effectiveness of roads in helping to solve the problems of transportation in agriculture is affected by many complex factors. Unfortunately, at the present time, we do not have the information needed to determine or evaluate effectiveness. We are using the term effectiveness here to mean the capability of the network of roads to meet its demands efficiently. In these terms, effectiveness may be measured as the disparity between the "demand" and the "supply" of transportation facilities and services available in the road system. A great deal more research is needed in order to develop the facts upon which an evaluation of effectiveness can be based.

At this stage we would like to point out and briefly discuss some of the important considerations that would enter into the final assessment. With regard to cattle, we know that the bulk of cattle going to terminal markets is now transported by trucks. This same general

trend pertains to the shipment of calves and sheep. Also, the trend towards larger, more efficient trucks in agriculture has resulted in the need for improvements in the road network.

With reference to the supply of roads, in terms of effectiveness, two sets of factors are to be considered—those relating to the efficiency of the network configuration and those relating to the condition of, or the improvements needed to improve, the existing system. At the moment, we do not have sufficient useful information on the additions to efficiency that might be associated with changes in the configuration. "The 1974 National Highway Needs Report," of the Committee on Public Works and Transportation, 94th Congress, 1st Session, House Document 94–45, might be helpful in this respect.

The administration is in the final stages of preparing legislation which recognizes these needs and moves to alleviate the impacts which they create. Under the present system of fund distribution, Federal programs are inflexible, which results, in part, from the many narrow categorical grant programs. This inflexibility impacts Federal program reaction and assistance to the States which is necessary to solve the most pressing transportation problems of the Nation. To this end, the administration's proposal would consolidate these separate categorical grants into a single rural transportation assistance program with up to 40 percent of the funding available for use on roads which are not on any Federal-aid highway system.

The administration is also recommending that the Federal excise tax on gasoline be reduced by 1 cent in any State that increases its own gasoline tax by at least that amount.

The proposed rural transportation assistance program would then provide funds in rural and small urban areas for projects on any public road, highway safety improvement projects, the construction of bus passenger loading areas and facilities, fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers, the purchase of passenger equipment, the improvement of railroad facilities, and the construction of intermodal freight terminals necessary to accommodate increased truck traffic resulting from the abandonment of railroad lines.

Recognition will continue to be extended to the large proportion of the elderly who are located in rural areas. The lack of transportation facilities and the cost of transportation hinder their efforts at getting from one place to another.

Public transportation can be important to the rural elderly due to limitations on their use of automobiles, although the cost of transit may remain too high to be within the reach of the elderly poor without financial assistance. Physical or psychological handicaps may place additional limitations on transit usage by the elderly.

Transportation must be viewed a means to an end. The elderly require mobility, not for its own sake, but as an "access to opportunities." A strict profit versus loss outlook might be contrasted with the social gains made possible by an improvement in the quality of life in rural areas.

Yet, not all old people are poor, not all are handicapped and not all live in rural areas. A special purpose transportation system exclusively for the elderly is not likely to be economically feasible without financial assistance. Concentration on designing a transportation

facility to serve only a single need is not usually the answer. The needs and problems of the elderly must be considered in the overall design of all transportation systems so that the limited resources available for transportation in rural areas can be most effectively used.

The Federal-Aid Highway Act of 1973 authorized the rural highway public transportation demonstration program, which is being jointly administered by the Federal Highway Administration and the Urban Mass Transportation Administration.

The demonstration projects being carried out under this program seek to encourage the development, improvement, and use of public mass transportation systems operating on highways for the transportation of passengers within rural areas and small urban areas, and between these areas and urbanized areas in order to enhance the mobility of rural residents.

The project selection criteria developed for this program are intentionally broadly defined to encourage applicants to develop as comprehensive a program as possible, in order to include all the transportation disadvantaged in a specific area. One important fact in the program is that it recognizes the disproportionately high percentage of elderly people living in rural areas. As a consequence, one of the selection criteria will evaluate specifically the "adaptability of the system to the needs of the elderly * * *." These needs are not limited to the physically accessible category, which is represented by such elements as vehicle hand grips, low steps, wide doors, stairwell lighting, hand fareboxes, and shelters. They also include the needs and desires of the residents to travel to shopping areas, medical centers, and employment locations. Each demonstration project will also provide for the transportation needs of wheelchair users.

The administration's proposed legislation will provide that funds authorized for the rural transportation assistance program would be available to finance not more than 50 percent of the costs of initiating and operating rural highway public passenger transportation projects. These funds would be available for a period of not more than 3 years from the date that the service is initiated. The Secretary would be required, in issuing regulations to implement this provision, to consider the result of the demonstration project discussed above. One other provision of the proposed legislation would be that, to the extent that funds available are utilized to pay operating expenses of a public passenger transportation project, such funds would be supplementary to and not in substitution for the average amount of State and local government funds expended for the operation of such project for the 2 fiscal years preceding the fiscal year for which the project is intended.

With regard to rural transportation needs in general, the Office of the Assistant Secretary for Policy, Plans, and International Affairs within the Department of Transportation has recently begun an informal investigation into how all of the Department's policies and programs might better focus on the transportation problems of rural communities. One of the underlying premises of this investigation is that rural areas have some unique transportation problems which in the past may not have been dealt with in an effective, consistent, or equitable manner.

Although the investigation is presently in its early stages, the staff has held some very useful discussions with persons familiar with rural transportation problems and issues, including various interested congressional staff members. The Department intends to continue and expand these discussions.

This concludes my prepared testimony, Mr. Chairman. I now will be pleased to answer your questions.

Senator BURDICK. Thank you very much for your contribution.

Senator RANDOLPH. Thank you, Mr. Chairman. You stressed, Mr. Seaworth, the action in the Federal Aid Highway Act of 1973, in which we authorized a rural highway public transportation demonstration program.

Mr. SEAWORTH. Yes, sir.

Senator RANDOLPH. That was further expanded in 1974 in our act, to give more emphasis to what we had done initially in 1973. I place in the record, with your permission, Mr. Chairman, a copy of a letter that I sent to the Secretary of Transportation, William Coleman, under date of May 1 of this year, in which I urged that the Secretary establish within the Department an Assistant Secretary for Rural Transportation. I go back to indicate as I did in the letter, that under John Volpe, a former Secretary of Transportation, there was created an Assistant Secretary for Environmental and Urban Affairs. There was a direct spokesman at that time for urban transportation. There was a need for understanding of urban problems in connection with our transportation system.

I have pointed out that I believe an Assistant Secretary for Rural Transportation would be of genuine assistance to us as we work on rural transportation in the 94th Congress. I think it's necessary as an implementation of new or existing Federal programs that would improve mobility in rural areas. I have had only the acknowledgment as of this date of the letter, Mr. Chairman, but I hope that Secretary Coleman will look in favor upon the creation of such an assistant-secretaryship.

Senator BURDICK. The letters will be received for the record, without objection.

[The letters referred to follow:]

MAY 1, 1975.

Hon. WILLIAM T. COLEMAN,
Secretary, U.S. Department of Transportation,
Washington, D.C.

DEAR MR. SECRETARY: In recent years there has been increasing emphasis on meeting the transportation needs of our country's growing urban areas. The heavy migration of people to our cities since World War II has placed severe strains on their transportation systems. There is a substantial transportation deficit in urban areas, and the Federal Government is properly accelerating its participation in efforts to overcome the years in which urban transportation was virtually ignored.

Such an undertaking obviously requires coordination. To provide a focus for urban transportation matters, former Transportation Secretary Volpe created the position of Assistant Secretary for Environmental and Urban Affairs. The existence of a spokesman for urban transportation needs within the Department contributed greatly to a full understanding of urban problems and the development of solutions.

Similar representation in the Department has never been enjoyed by the millions of Americans who live in rural areas and small towns. These areas also have inadequate transportation services. While the needs are different from those of urban areas they are equally urgent and possibly more acute in magnitude.

The neglect of highways, railroads, and other facilities and its effect on rural areas is apparent. We know that we must concentrate our concern and resources on giving rural and small town America the transportation systems they require to maintain social and economic health.

Meeting these needs entails the same commitment that has been given to urban transportation. Accordingly, I respectfully request that you create the position of Assistant Secretary for Rural Affairs under the Department of Transportation. Important legislation relating to rural transportation will be before the 94th Congress. I believe that an Assistant Secretary for Rural Transportation would be of genuine assistance to us in this work and in the implementation of new or existing Federal programs intended to improve mobility in rural areas.

Your prompt and positive consideration of this recommendation will be much appreciated.

With best personal regards, I am

Truly,

JENNINGS RANDOLPH, *Chairman.*

SECRETARY OF TRANSPORTATION,
Washington, D.C., May 21, 1975.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your recent letter asking that we create the position of Assistant Secretary for Rural Affairs within the Department of Transportation.

I would like to address your question in terms of our present organizational structure which dictates the way the Department operates to accomplish national transportation goals. This Department is limited by law to our current total of five Assistant Secretaries and is organized around operating administrations, each of which is responsible for a particular mode of transportation. This enables the modes to concentrate attention on specific issues of national importance as they arise including rural transportation matters. Coordination among the separate modal organizations is pursued in any particular area where joint actions are required.

Experience indicates that this present arrangement is preferable to having special issue offices established permanently. From a functional standpoint, we believe that such offices should be kept to a minimum and that program control is better vested within each operating mode, with policy guidance from the Office of the Secretary as required.

I have enclosed for your information two examples of present Departmental activities in the furtherance of meeting the transportation needs of rural areas. Please be assured that our concern include the transportation needs of the Nation's rural areas as well as urban. This is a very active issue within the Department and it shall continue to be.

Sincerely,

WILLIAM T. COLEMAN, Jr.

Enclosure.

DOT ACTIVITIES CONCERNING RURAL TRANSPORTATION REQUIREMENTS

The Department is active on a day-to-day basis in meeting rural transportation needs. For example, the Federal Highway Administration spends large sums on direct Federal aid to the States in the maintenance of highways. Section 104 of the Federal-Aid Highway Act of 1973 contains the provisions for these funds to aid rural areas. This aid is for both primary and secondary systems in rural areas. Funding for these two systems approximates one billion dollars a year.

Another example: Section 4(c) of the Urban Mass Transportation Act of 1964, as amended, provides that, of the total amount of funds cited in the Act, a sum not to exceed $500,000,000 shall be available exclusively for assistance in areas other than urbanized areas.

Senator RANDOLPH. I think it's very important for us to recognize the efforts that are being made across the variety of lines of action that we have taken at this particular time.

Senator BURDICK. Thank you very much. Our next panel will be the highway panel; Walter Hjelle, commissioner of the North Dakota State Highway Department, accompanied by Duane Bentz, transportation service engineer; Mr. Keith McLean, assistant chief engineer; R. E. Bradley, chief engineer; Henry Wisness, secondary roads engineer; and Joe Satrom, State travel director.

Mr. Hjelle, you and your panel can proceed expeditiously as possible. And as a suggestion, singularly as you generally do.

STATEMENT OF WALTER R. HJELLE, NORTH DAKOTA STATE HIGHWAY COMMISSIONER, ACCOMPANIED BY DUANE BENTZ, TRANSPORTATION SERVICES ENGINEER; KEITH McLEAN, ASSISTANT CHIEF ENGINEER; R. E. BRADLEY, CHIEF ENGINEER; HENRY WISNESS, SECONDARY ROADS ENGINEER; AND JOSEPH SATROM, STATE TRAVEL DIRECTOR

Mr. HJELLE. Thank you, Mr. Chairman. Senator Jennings Randolph, Senator Burdick, members present, we have a group here with us this morning to testify in behalf of the highway department and try to review some of the problems that we have had in the department and some suggestions later on for possible legislation.

Mr. Chairman, committee members, it is with a great deal of pleasure that I have this opportunity to appear before you. I am aware of some of the fine work of your committee and the very real interest and understanding you have of rural transportation. This understanding was well expressed by Senator Jennings Randolph in his recent address to the American Road Builders Association where he referred to the fact that less and less of our Federal budget is being spent on highways. Where not too long ago 3.5 percent was dedicated to highways, now only 1.8 percent of a $268 billion budget is dedicated to highways.

Highways are the dominant means of transportation in North Dakota: 96 percent of the passenger miles traveled is by highways; 51 percent of the commodity tonnage is moves by truck transportation. There are over 106,000 miles of roads and streets in North Dakota of which 6,935 are on the State highway system, over 28,500 under county jurisdiction, with the remainder under township jurisdiction or local jurisdiction. Within this total road system are 579 miles of Interstate, 4,188 miles of Federal-aid primary, and just short of 14,000 miles of Federal-aid secondary, making up a total Federal-aid route mileage of 18,694 miles.

Based on 1969 dollars, the total cost of needed capital improvements to 1990 on this Federal-aid system is $1.74 billion. Within this period, the State can generate $0.60 billion leaving a balance of $1.14 billion required in the form of Federal-aid. This does not include the cost of improvements needed on 87,000 miles of off-federal-aid system roads and streets. Approximately 10,000 miles of the Federal-aid system in North Dakota is unpaved.

The need for the improvement of major arterials other than Interstate System routes is of immediate concern. Today you will hear from representatives of communities along U.S. Highway No. 2 and persons having an interest in U.S. Highway Nos. 52, 83, 85, and 281. There

are many miles of substandard segments on these routes deficient in geometrics and pavement structure. Deficient to the point where we are losing ground rather than making progress in our efforts to provide roadways needed to meet the demands of the user—demands which are related to reduction in the cost of transportation.

North Dakota's share of Federal-aid primary funding has simply been wholly inadequate to keep pace with the needed capital improvements on its primary system. The problem becomes more acute as gasoline tax revenue decreases and inflation shrinks the value of the dollar, and as the Federal Government reduces the percentage of the total budget allocated to transportation.

The relationship between capital improvements and maintenance becomes involved in a vicious circle as maintenance expenditures increase because of lack of capital improvements. Thus, less is available for capital improvements as maintenance expenditures increase. This is a shrinking circle slowly decreasing the value of our system.

As a recognition of this situation, our recently adjourned State legislature provided a measure of relief by funding the State Highway Patrol out of the State general fund instead of from the highway distribution fund. It also provided for the retention in the highway distribution fund of revenues from driver licenses. By these State legislative actions, the cities, counties, and the State highway department will receive the equivalent of a 2-cent-per-gallon raise in gasoline taxes. We are making a strong effort at the local level but no national transportation system can exist without a total, balanced, well-managed national policy.

Another matter that we are much concerned about is the proliferation of redtape and onerous requirements particularly under the guise of environmental consideration. The administration of section 4(f) of the Transportation Act has been particularly frustrating and time consuming. I do not believe that Congress realizes how administrative agencies have expanded and complicated their good intentions, or how greatly their action has added to roadway costs and time delay. It would appear feasible for the Congress to instruct the administrative agencies and more particularly the Department of Interior to liberalize their stringent requirements of section 4(f). A more moderate attitude would most certainly be logical where the owning agency at the local level is completely satisfied with the mitigating action and provisions of the highway agency. Oftentimes the cost of avoiding 4(f) situations results in unnecessary additional expenditures or substandard segments.

North Dakota's social and economic welfare is to a large extent dependent upon its transportation capabilities and most of its transportation capabilities are dependent upon its highways. Consequently, we are vitally interested in the makeup of the proposed 1975 Federal-aid Highway Act. We wish to make the following proposals for your consideration for inclusion in the 1975 Federal-aid Highway Act.

One: Reduce the number of funding categories from about 31 under the 1973 Highway Act and 1974 amendments to 6; namely, Interstate, rural primary, rural secondary, urban, ridge replacement, and safety construction.

Two: Section 104(b) of the 1973 Federal-aid Highway Act provided that "no State shall receive less than one-half of one percentum of the total apportionment for the Interstate System under paragraph (5) of subsection (b) of section 104 of title 23, United States Code.

Whenever such amounts made available for the Interstate System in any State exceed the cost of completing that State's portion of the Interstate System, the excess amount shall be transferred to and added to the amounts apportioned to such State under paragraphs (1), (2), (3), and (6) of subsection (b) of section 104 of title 23 in the ratio in which these respective amounts bare to each other in that State."

Unfortunately, the one-half of 1-percent provision did not generate sufficient funds for the 3-year period 1974, 1975, and 1976, to complete the Interstate in North Dakota. We strongly urge that the one-half of 1-percent provision be continued and the excess amounts not needed for the Interstate be transferred to the primary system. This would permit us to concentrate on our main arterials such as U.S. Highway No. 2.

It is estimated that $15 million in Federal funds is required to complete the Interstate in North Dakota after the 1976 apportionment is used. Thus, if annual Interstate funding levels beginning in the 1977 fiscal year were established at $4.0 billion, North Dakota would receive $20 million annually. If a 3-year bill were enacted, North Dakota would receive approximately $60 million leaving $45 million for the primary system.

Your attention is called to the last sentence of section 104(b) of the 1973 Federal-aid Highway Act that "it is the sense of the Congress that this Subsection is an interim provision to be reconsidered at the expiration of this authorization." Actually, this provision was inoperative because the levels of Interstate funding provided in the 1973 act were not sufficient to complete the System within the 3-year period.

Three: The cost of maintaining the Interstate System is becoming increasingly burdensome. The Interstate System is entitled to and receives a higher level of maintenance on a year-round basis than do other routes. Therefore, it is recommended that up to 5 percent of each State's Interstate apportionment be eligible for Interstate System maintenance.

Four: A large share of the State's income for maintenance and matching of Federal aid is derived from the tax on motor vehicle fuels. Because of the energy crisis, the consumption of motor fuels has already decreased and this decline is expected to increase sharply in the future. Thus, the State is faced with the double-barreled effect of declining revenues and inflated costs. Therefore, it is recommended that the matching requirements for all categories of Federal funding except Interstate and safety be changed from 70–30 to 80–20. It is recommended that Interstate and safety construction funding remain at 90–10.

Five: It is recommended that the 1975 Federal-aid Highway Act provide funding for the fiscal years 1977, 1978, and 1979 and that the level of authorization for each of the fiscal years be not less than $6.9 billion in the following categories: $4.0 billion, Interstate; $1.2 billion, Rural Primary and Secondary; $1.2 billion, Urban; $0.1 billion, Bridge Replacement; $0.2 billion, Safety Projects; and $0.2 billion, Off System.

In this connection we strongly urge that the highway trust fund be continued so as to support this level of funding.

Six: To allow for reasonable flexibility and to take into consideration each State's special problems, it is recommended that a 40 percent transferability between categories—except interstate—be provided.

Seven: With reference to urban funds it is strongly urged that the last sentence of section 104(b)(6) title 23 be continued which provides that "No State shall receive less than one-half of one percentum of each year's apportionment." The use of urban funds should continue to be eligible in urban areas—5,000 population and over. There should be no revision that would limit use of Federal-aid urban funds to only urbanized areas—50,000 population and over.

Eight: Section 103(c)(2) title 23 provides that "After June 30, 1976, the Federal-aid secondary system shall consist of rural major collector routes." Presently, 2,100 miles of our State highway system are classified as minor arterials and included on the Federal-aid secondary system. Thus, after June 30, 1976, Federal-aid secondary funds would no longer be available for improvements within this 2,100-mile segment of the State highway system. It is recommended that 103(c)(2) be repealed.

Nine: We are very pleased with the recent action by the President in releasing $2 billion in obligational authority. We are most grateful to Senators Randolph, Burdick, and others for introducing a resolution to disapprove the President's deferral message to Congress of September 20, 1974, which sought to delay $10.7 billion in highway funds. We believe that the resolution influenced the President's decision to release the $2 billion. Now that the resolution has been passed by the Senate and all withheld Highway funds are released, we wish to reinforce our expression of appreciation to Senator Randolph. We would want you to know that North Dakota is taking advantage of the release and will be in a position to obligate its withheld funds which will result in doubling our construction program this calendar year. We also want you to know that North Dakota is financially able to match all of the Federal funding apportioned to it which includes the 1976 fiscal years funds.

North Dakota would fully support any position taken by the Senate that would disapprove deferral of obligational authority. We firmly believe that highway needs are too great to permit any funds to go unused for even a day.

Senator BURDICK. Thank you Mr. Hjelle. We will hear from Mr. Bentz next.

STATEMENT OF DUANE BENTZ, TRANSPORTATION SERVICES ENGINEER, STATE OF NORTH DAKOTA

Mr. BENTZ. Good morning. My name is Duane Bentz. I'm the transportation services engineer for the North Dakota State Highway Department. As a native son of this prairie State, I have elected to pursue my engineering career with the Highway Department. The choice is one I'm sure I'll never regret because the challenges and exciting changes in the field of transportation are a satisfying and fulfilling experience.

Transportation problems in a rural State such as ours are people problems that directly affect every citizen every day no matter what his station in life. It is this involvement with people and the challenge of solving transportation problems that makes my work so interesting and exciting.

The movement of people and goods in, out, through and within North Dakota has been, is, and will continue to be accomplished by rubber-tired vehicles on streets and highways. The transportation service by the railroads is presently inadequate with little hope for improvements in the short haul. Passenger service, except for the Amtrak lines, is nonexistent, and even the Amtrak service has been criticized as being inadequate. The reduced services from the railway companies for cargo movement by failure to ship less-than-carload-lots and the absence of 6-day-a-week service on many of the branch lines makes a rail movement of people and goods a low-ranking priority to the street and highway system.

The public needs and is demanding a highway system that provides a high level of service for movement of goods and commodities by trucks and the freedom, mobility, safety, and pleasure, that only travel by automobile can provide. I am confident the testimony presented here today will support and dramatize this dependence on highways we have in North Dakota and the lack of alternative transportation modes that can be considered.

URBAN AREAS

The great reliance we have on highways in rural areas is also duplicated in our North Dakota cities by their reliance on surface streets. The small size of our urban population centers makes public transportation uneconomical, unattractive, and, therefore, nonexistent. Heavy reliance on the automobile and truck in the cities requires an adequately financed arterial street construction program to meet these needs. Our most recent studies show that the street improvement needs exceed the available Federal and State aid in the 13 urban areas of North Dakota by $13 million.

The minimum apportionment of one-half of 1 percent for urban funds is essential to a small rural State such as North Dakota, and we urge that this provision be continued in future Federal-aid highway legislation. The 3-year apportionment of funds for urban street improvement programs by the 1973 act provided $11.4 million for North Dakota and while inadequate to meet the identified needs are significantly larger apportionments than could have been made without the minimum apportionment factor.

PUBLIC TRANSPORTATION PROGRAMS

Our department only recently received enabling legislation to become involved in the administration of Federal grants and the coordination of programs for bus mass transit in North Dakota. The State legislature, in passing house bill 1067, authorized the commissioner of highways to receive and disburse Federal funds made available to the State, but prohibits the expenditure of any State funds to matching these grants.

While our involvement in bus projects to date has been minimal, several problem areas have been identified that require resolution by Federal legislation and changes in administrative procedures and guidelines.

URBAN MASS TRANSPORTATION ADMINISTRATION (UMTA)—STATE HIGHWAY DEPARTMENT RELATIONSHIP

(*a*) In administering transit assistance to cities between 5,000 and 50,000 population, there is a need for the UMTA to recognize a State agency involvement and to avoid dealing directly with these urban areas. Due to the limited technical and financial resources of the small urban areas, the State is willing to assume a leadership role to assist these urban areas in their transportation improvement efforts.

(*b*) The technical study requirements of UMTA for a small urban area are too extensive and too costly. The Agency—UMTA—has failed to recognize the need for simplicity in transit feasibility studies and the vast difference between huge east coast metropolitan areas and the small midwestern urban center.

NO UMTA STAFF AT STATE LEVEL

(*c*) Although UMTA is currently organizing administrative staff capability at the regional level, it has no staff at the State level. Presently, all mass transit projects are channeled to Washington, D.C. for final approval which results in difficult communication and long delays. It would appear that UMTA could possibly utilize the existing FHWA administrative offices and personnel to provide State and local administrative representation and project approval authority.

As a minimum, there is a need for delegating project approval authority with the regional UMTA Administrator and improvements in the grant delivery system through the State highway agency to the urban area.

Senator BURDICK. Thank you. Mr. McLean.

STATEMENT OF KEITH McLEAN, ASSISTANT CHIEF ENGINEER, NORTH DAKOTA STATE HIGHWAY DEPARTMENT

Mr. MCLEAN. The North Dakota State Highway System consists of 579 miles of interstate routes, 4,188 miles of primary routes, and 2,168 miles of secondary routes. All of this system, with the exception of the interstate routes, makes use of stage construction in the total development of the highway system.

Staged roadway development is the use by traffic of the facility as it is constructed in successive stages, grade and gravel surfacing, for a time period, then a granular base course, with successive surfacing stages.

This method of highway development provides more miles of suitable highways at any time period. It also represents a continuing commitment in that there are certain time intervals which govern the successive stages.

The current cost estimate for completion of the total highway system to "load-free" status is in excess of $1 billion.

Present funding levels of about $15 million annually for the primary and secondary systems indicate completion is 50 years off. Stage construction is the only solution for rural States.

A highway surfacing section having a thickness of 7 inches of combined surfacing and base is classified as low load bearing. There are

approximately 1,640 miles of highway in this category on the North Dakota Highway System.

The improvement level of the North Dakota Highway System is such that seasonal restrictions must be imposed during the spring thaw period. The severity of our winters, depth of frost penetration, and northern location of the State means that for an 8- or 10-week time period each spring, the movement of commodities and goods is hindered by these seasonal restrictions.

Truck weights and sizes are increasing dramatically, the construction funding is so limited that the State of North Dakota is unable to respond with similar increases in the axle loads permitted during the seasonal restriction period.

The use of stage construction and the doubling of the costs of highway improvements has placed an additional burden on the highway department's maintenance forces. Those highway segments not reached by the successive construction stages must be maintained by highway department efforts. This means no increase in load carrying capabilities for these segments.

Gasoline tax revenue to the State of North Dakota decreased $1,085,000—15,500,000 gallons—during the calendar year 1974. This decrease was primarily due to the lowering of the speed limit to 55 miles per hour. With the energy conservation proposals presently being proposed by Congress and the President, we do not deem it unrealistic to anticipate a further decrease of at least $2,500,000 in gasoline tax revenues to the State of North Dakota during the fiscal year 1976.

These added responsibilities and limited resources mean that the maintenance efforts will more and more be confined to the traffic lanes only.

A highway which provides a specific example of the status of the North Dakota Highway System is U.S. 2.

This 360 mile segment of the transcontinental routing of U.S. 2 spans North Dakota from Minnesota to Montana. It parallels Interstate Route I–94, carries 60 percent of the traffic I–94 carries, serves four of the States' major cities and fully one-half of the States' population. It provides wheel transportation between the missile bases at Grand Forks and Minot.

This is North Dakota's subinterstate arterial, but is still subject to seasonal load restrictions. This limits the normal flow of goods and commodities into four of the States' major cities.

U.S. 2 is constructed to four lanes only in the urban areas and for a distance of 14 miles from Grand Forks to the Grand Forks Airbase entrance.

The most obsolete section of U.S. 2 is presently scheduled for construction in 1976 and 1977. This segment—from Stanley to Berthold—was originally scheduled for work in 1969. Inflation, impoundments, and environmental matters have delayed this construction for 7 years.

This 33 mile improvement—cost estimate $6,500,000, represents the expenditure of 45 percent of a single years apportionment of primary funds to North Dakota.

This is not totally self-serving because North Dakota is a bridge State in as much as it serves as a funnel for the wheeled transport of war materials and finished products between the coastal population centers and midcontinental population centers.

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To retain the North Dakota Highway System in its present status and to provide for the continued stage development of this highway system to "load free" status it is necessary that the present highway construction funding levels be increased.

Stage construction has been compared to installment buying—miss one payment and you lose everything.

Senator BURDICK. Thank you Mr. McLean; Mr. Bradley please.

STATEMENT OF R. E. BRADLEY, CHIEF ENGINEER, NORTH DAKOTA STATE HIGHWAY DEPARTMENT

Mr. BRADLEY. The requirement of environmental statements is one of the most time consuming processes in the development of a highway improvement. We recognize there is a need to be aware of and give greater consideration to environmental effects, however, there are instances when the long delays result in detrimental effects which exceed any benefits that may be derived from further coordination with other agencies and studies to process an environmental statement.

A normal environmental impact statement is generally processed in a reasonable time period. However, lengthy and intolerable delays occur whenever a project affects land falling under section 4(f) of the Department of Transportation Act or section 6(f) of the Land and Water Conservation Fund Act.

Section 4(f) provides that the Secretary of Transportation shall not approve any project which uses publicly owned land from a public park, recreation area, or wildlife refuge determined to be significant by the Federal, State, or local official having jurisdiction thereof unless, (1) there is no feasible or prudent alternative to the use of such land, and (2) such project includes all possible planning to minimize harm to the area affected. Section 4(f) also provides the Secretary of Transportation shall consult with the Secretaries of Interior, Housing, and Urban Development, and Agriculture during the development of transportation plans and programs.

The Secretary of Interior has apparently taken the attitude that section 4(f) lands should be avoided at all costs. Neither the magnitude of the effect on the 4(f) land or agreements with the agency having jurisdiction over the 4(f) land seem to have any influence on the Secretary of Transportation in approving use of 4(f) lands for highway projects.

A recent project required 8 acres from a 4,500 acre game management area along existing U.S. Highway 83. The State Game and Fish concurred in the taking, however it took 14 months to obtain 4(f) approval. The delay resulted in a half million dollar increase in construction costs.

Another project involves taking a narrow strip off the end of the Garrison City Golf Course. The city has agreed this is the best location. The project also involves acquisition of lands which have a U.S. Fish and Wildlife Service wetlands easement. The area to be acquired is high ground and will not affect any wetland area as can be seen from the map. The local office of the U.S. Fish and Wildlife Service is in agreement that this will not affect the wetlands. The 4(f) statement was transmitted to the Secretary of Transportation on May 1, 1974. We have been informed approval is being delayed pending a decision

regarding the applicability of section 4(f) to wetland easements. Since there is agreement on the local level of government that this project will not affect the wetland it is difficult to understand why this project should be delayed until issue of 4(f) and wetland easements is resolved.

The problems of obtaining 4(f) approvals extend to the county Federal aid secondary system. A county project in Logan County requires a strip taking of 0.8 acre from a U.S. Fish and Wildlife Service fee area.

Seventeen months were spent in obtaining FHWA approval of the final EIS 4(f) statement. Since August 1974, the final EIS has been under review by the Secretaries of Transportation and Interior.

We can understand the extensive review period for a highway project having a significant effect on a park, recreation area, wildlife refuge. In instances such as those cited earlier the effects on the 4(f) lands are minimal. The long delays on these types of projects result in few if any environmental benefits. However, the delays do have an adverse economic effect due to the increased construction costs. Because of the long delays in obtaining 4(f) approval it has been necessary to compromise geometrics and expend additional funds to avoid 4(f) lands so that needed highway improvements can be undertaken. An example of such a situation is U.S. Highway 2 between Rugby and Leeds. On this project geometrics have been compromised and an additional cost of $340,000 will be incurred to avoid taking right of way from a national wildlife refuge and a State game management area. Local agencies having jurisdiction over these 4(f) lands do not object to taking of 4(f) land for the highway improvement. However, since the offices in Washington apparently do not consider the local input in making a 4(f) determination it was deemed necessary to bear the added cost to avoid 4(f) so that this project may proceed without any long delays.

Section 6(f) of the Land and Water Conservation Fund Act provides that any property acquired or developed with assistance from the fund shall not be wholly or partly converted to other than public outdoor recreation uses without approval of the Secretary of Interior. Such approval will be given only upon substitution of other outdoor recreation properties of equal fair market value and of reasonably equivalent usefulness, quality, and location.

If Land and Water Conservation Funds were used to construct a picnic table on the opposite end of a park approximately 1 mile from a proposed highway improvement and a highway improvement required right of way from park property, it has been determined that the provisions of 6(f) would apply. This seems totally unreasonable.

In attempting to resolve the replacement land issue on a project in Bismarck we have found that the Bureau of Outdoor Recreation is unwilling to give any indication if the selected replacement land is satisfactory. This conclusion resulted after much coordination with the Bureau of Outdoor Recreation. Since no decisions can be obtained it is questionable if the coordination will be beneficial.

In this instance there is agreement on the local level, however, it appears the Federal agencies will once again impede the progress of this project.

We believe cooperation between agencies on the local level of government will best serve the citizens of North Dakota. Local, State, and

State offices of Federal agencies are more directly involved with the people and are more aware of the concerns of the States residents.

The North Dakota State Highway Department is cooperating with the local U.S. Fish and Wildlife Service to establish an agreed upon procedure and method of replacing wetland easements filled by highway construction. In addition to this, borrow areas, ditches, and other design features are being incorporated into plans which will enhance the habitat for waterfowl production. These special considerations would tend to mitigate any damages to wetland easements due to the construction of a highway facility.

Multipurpose uses for highway embankments is very much a part of highway design. One of the first uses of an Interstate highway embankment for a recreational impoundment was on Interstate 94 near Bismarck. The Sweetbriar Reservoir was a joint use project between the Federal Government, State Highway Department, State Game and Fish Department, and Morton County. The success of this recreational development led to other impoundment areas such as Crown Butte and Camels Hump on Interstate 94.

One of our primary concerns relating to environmental matters is the Department of Interior's belief that wetlands under easement by the U.S. Fish and Wildlife Service are subject to 4(f) provisions of the Department of Transportation Act. It is our understanding that the Secretaries of Transportation and Interior are making a determination that wetland easements will be considered under the provisions of section 4(f).

The State of North Dakota will bear the brunt of this determination. In looking at the statewide map of wetland easements it is obvious that a major portion of the highway program will be affected by this ruling. It will be nearly impossible to build either a State or county highway through the central and northwest sections of the State without encountering long delays due to 4(f).

A more specific example is an environmental impact statement on a section of U.S. Highway 2 in the Stanley area which is apparently being delayed pending the outcome of the Secretary's opinion on the applicability of section 4(f) to wetland easements.

The locations of wetland easements for this project have been shown on a county strip map and an aerial photograph. It can be seen that the numerous wetland easements and potholes make it impossible to construct a highway without affecting potholes or wetland easements.

Section 4(f) of the Department of Transportation Act of 1966 was enacted prior to the 1969 National Environmental Policy Act. At that time there may have been a need for this type of legislation, however NEPA requires that consideration must be given to effects on the environment including recreation areas, parks, and wildlife refuges. Therefore, NEPA now provides safeguards which did not exist at the time of the 1966 Department of Transportation Act.

We believe approval of the use of 4(f) lands should be processed in the same manner as a normal environmental impact statement.

State and local officials are more familiar with local conditions and sentiments and are more responsible to the electorate than Federal agencies in Washington. Many delays could be avoided if review and approval of 4(f) statements and environmental impact statements were accomplished in field offices of Federal agencies. Only projects of truly national significance should be reviewed at the national level.

It is our recommendation that legislation be enacted which would direct Federal agencies to delegate review and approval of 4(f) statements and environmental impact statements to the field offices of each Federal agency.

Senator BURDICK. Mr. Wisness, would you be next please?

STATEMENT OF HENRY WISNESS, SECONDARY ROADS ENGINEER, NORTH DAKOTA STATE HIGHWAY DEPARTMENT

Mr. WISNESS. Mr. Chairman, Congressmen, I am Henry Wisness, the secondary roads engineer for the North Dakota State Highway Department, responsible for administering the county-Federal-aid secondary program in North Dakota. I appreciate the opportunity to appear before this committee to present the status of that program and to provide some grassroot comments on the needs of rural transportation.

The county and local roads systems in North Dakota comprise 12,000 miles on the county-Federal-aid secondary system, 6,000 miles of regular county roads, 46,000 miles of organized township roads, 10,000 miles of unorganized township roads under county control, for a total of 74,000 miles. In addition to these local systems another system must be recognized as requiring additional maintenance and cost. This is the 1,200-mile transporter-erector system covering State, county and local systems which provides all-weather service to missile sites in the vicinity of the Grand Forks and Minot Air Base Area.

The total highway network in North Dakota as it exists is an integrated, balanced system, of local, county, and State roads. The local farmer or resident is directly served by the township and lower level county roads. These feed into the county-Federal-aid system which directly serves the local trade center or links to the State highway network.

Each unit or tier of government is then responsible for and serves the public, consumer, and industry in the most economical and efficient manner.

At the present time only 2,100 miles or 17 percent of this county-Federal-aid system is hard surfaced. A total of 3,840 additional miles need bituminous surfacing at a cost of $172 million. Resurfacing of existing blacktopped roads is needed at a cost of $22 million.

Fifty percent of the existing gravel-surfaced roads need reshaping or regrading to bring them up to standard. The cost of this work is $134 million. The item of most concern to the counties at the present time is the condition of their bridges. The face of North Dakota is wrinkled with a complexity of drains, streams, and rivers. Major rivers such as the Missouri, the Red River of the north, the James, the Sheyenne, the Souris with all their tributaries have a great effect on road-construction costs because of the multitude of costly structures required.

A complete inventory of county bridges in 1973 revealed that there are 510 inadequate bridges on the county-Federal-aid system. Many of these structures were constructed to serve traffic 70 years ago and now constitute a traffic hazard because of low-load capacity or inadequate width. Replacement costs are estimated at $30 million.

In addition 3,175 bridges on local county and township systems require replacement at a cost of $156 million.

The welfare and safety of our children are involved in many cases where structures are incapable of carrying loaded buses. In some cases they must disembark, the bus proceeds over the bridge, again loading and continuing the journey on the other side of the stream.

Immediate correction to standard is of course not possible but the needs dictate a long-range, continuing program of bridge replacement.

A great impact has been felt and an even greater effect on road needs is predicted in the future because of Federal projects and energy production. Much local road improvement and increased maintenance has been necessary because of air base and missile site construction and maintenance, access to public recreational areas on federally constructed reservoirs, and it appears that a tremendous highway need will be generated by energy-producing plants.

The farm products contained in the loaf of bread, bottle of corn oil, the pound of hamburger or T-bone steak and milk products—all must leave the farm by truck over the township road, travel over the county road, the State highway and the Interstate Highway System to reach the supermarket and the consumer. The oil-producing well, the coal-producing mine, the gas plant, and hydroelectric plant all must be constructed using the local road systems, must be maintained and kept producing by means of transportation over these road systems.

There is therefore a great consumer interest in maintaining an efficient local road system, to assure a continuous supply of the many products produced in the rural areas and maintain the lowest consumer cost.

The 1973 Highway Act provided for a reclassification of the Federal-aid systems. In this initial reclassification the county secondary system would be reduced approximately 50 percent. This reduction and dedication of all secondary funds to only the major collector routes would of course have a great detrimental effect on the existing dedicated programs based on the present county-Federal-aid system. If system designation guidelines can be liberally interpreted and if it can be administratively determined that the present system can be retained with a modest reduction it is thought that a workable program can be maintained.

If this is not possible, elimination of the major/minor collector definitions is suggested and the two systems should be combined.

Another aspect of this reclassification is that it would result in a loss to the State Highway Department of 50 percent of secondary funds, and replacement of these funds must be sought in some other manner.

The county-Federal-aid secondary or farm-to-market program is wholeheartedly supported by the people. As proof of this, they are willing to participate with their efforts and their tax dollars.

The people in 42 counties have sponsored long-range dedicated 10-to-20-year-priority construction programs, along with a special supporting 10-mil tax imposed upon themselves. These programs are based on the long-range continuing availability of Federal-aid funds for construction.

This past session the counties received State legislature approval to levy an additional three mils which may be used for road and bridge construction. With over 40 percent of property taxes, gas tax and license fee revenues, the counties have fulfilled their obligation to share

in highway costs. Through these special self-imposed taxes and other revenues a total of $5 million is available to match Federal funds in the county secondary construction program.

In brief summation the needs in the county-Federal-aid secondary program are: (1) a long-range Federal-aid program which coupled with county resources will provide a long-term, stable continuing road construction program; and (2) an increase in Federal-aid secondary funding to more nearly match the county-dedicated resources of $5 million and to offset rapidly inflating highway construction costs.

Unless much latitude is exercised in interpretation of requirements, a revision or repeal of the major/minor portion of functional classification system is necessary.

Continuation of the bridge replacement program is a critical necessity.

Senator BURDICK. You may proceed, Mr. Satrom.

STATEMENT OF JOSEPH SATROM, STATE TRAVEL DIRECTOR, STATE OF NORTH DAKOTA

Mr. SATROM. Thank you for the opportunity to testify before this Subcommittee on Transportation.

Historians report that the railroad provided the impetus for settlement of the great American West. Sociologists and citizens know that the road, those paths of mud, gravel, asphalt, and concrete, made the West a suitable place to live.

The purpose of my testimony today is to relate the important role the highway system has in the growth and development of tourism. North Dakota, like every State in the Union, gains benefits from those business activities which are conducted in conjunction with the leisure traveler, recreationalist or tourist. Highways are the basis of our tourism.

Nationally, tourism is a $60 billion industry employing more than 4 million Americans. While North Dakota tourism is only a small part of this major, national economic activity, tourism has taken on an important position in our State's economy. In 1974 tourism generated approximately $155 million and represents 5 percent of the total State new wealth. More than 20,000 people are employed in services in North Dakota which deal with the tourist. These businesses include automobile services, hotel and motel, and food and beverages facilities.

North Dakota tourism, like tourism nationally, is heavily dependent on automobile travel for economic stability. Nearly 90 percent of all tourism is generated by people traveling in automobiles and other vehicles.

Despite this Nation's shortage of energy and the obvious and important need for reduced utilization of fuels, I believe my position here today is justifiable in view of the quality of life which we seek for every American. If this Nation can reach a point of efficiency in less meaningful types of energy utilization, I believe the use of the automobile for independent family vacation travel can continue. I believe Americans will place a priority on recreation and leisure time activities and that this priority will lead them to conservation of fuels in other work-related activities where alternatives to high energy use exists.

The crux of my presentation here today can be summarized in three major observations:

One: While energy problems should affect many aspects of planning and programing for this Nation's highway system, there is an obvious need for more and better highways in rural America which will serve the economic and social well-being of people.

Two: North Dakota is among those States which has important needs in the areas of highway maintenance and highway construction. These needs can only be met if a Federal highway program is of long term and of consistent and adequate funding.

Three: Leisure travel has important economic and social implications which must be considered. The service business and the recreationalist require consideration in the planning of highway programs in much the same manner as the heavy industry, agriculture, or government.

Tourists visiting North Dakota find that we have an excellent highway system with modest but pleasing rest areas. This highway system links the parks, lakes, historic sites, points of interest and other attractions which offer the traveler an educational and recreational experience. Other testimony here today will explain the technicialities of the development of this program and the importance of continued funding to assure the continuance of these construction programs and sound maintenance practices.

North Dakota's highways are part of important systems of highways which have regional tourism appeal. Many of our highways are part of the "Old West Trail," a five-State system of vacation routes which guide travelers to the attractions in this area. Our office is working on a similar system of highways with the provinces of Manitoba and Saskatchewan and the State of Minnesota.

One final point must be made if this testimony is to be a presentation which represents the interests of the tourism industry. North Dakota needs highways and roads which improve access to comparatively new and remote tourist and recreational attractions. Our State is comparatively new in the history of this Nation and many excellent vacation sites are served only by a country path or road which is unusable during inclement weather and frequently throughout the year because no real roadway has ever been constructed or maintained. Federal Government programs of participation in the development of access roads to recreation sites is imperative and I strongly urge your consideration of programing which will lead to the development of quality roads and highways for this purpose.

In conclusion, I would like to say that the American system of roads and streets and highways is an incredibly effective transportation scheme for serving more than 200 million citizens. This transportation system is highlighted by the interstate, which has been largely responsible for the development of tourism in North Dakota.

I hope your committee and the U.S. Congress will take action to assure continued funding to meet growing needs for over-the-road transportation systems.

[Supportive information supplied by the North Dakota State Highway Department follows:]

PERCENT OF DISTRIBUTION OF POPULATION FOR STATE OF NORTH DAKOTA

Year	Rural	Air Force Bases	Cities Under 5,000	Cities Over 5,000	Total
1950	47.7%	--	26.0%	26.3%	100.0%
1960	39.4%	0.6%	25.8%	34.2%	100.0%
1970	32.8%	3.7%	24.2%	39.3%	100.0%

* * * *

HIGHWAY TRANSPORTATION ROLE IN NORTH DAKOTA

Dependence Upon Highways

During the year 1973, 96% of the passenger miles traveled in North Dakota was by highways.

Of the 6.3 million passenger miles traveled on the highways of this State in 1973, 5.3 million passenger miles (84%) was generated by passenger cars.

The people of North Dakota depended upon the highways of this State and the trucking industry to transport 51% of their commodity tonnage during the year 1973.

Only 3 of our 13 major cities of over 5,000 population provide bus service for its residents; namely, Grand Forks, Fargo, and Minot.

Persons Per Registered Vehicle - 1973

For Selected States

States	Population	Pass. Cars	Trucks	All Vehicles Total
Alabama	3,539,000	1.93	6.85	1.50
California	20,601,000	1.89	8.30	1.54
Colorado	2,437,000	1.80	5.49	1.35
Florida	7,678,000	1.69	9.58	1.43
Illinois	11,236,000	2.19	13.84	1.89
Iowa	2,904,000	1.96	5.93	1.47
Kansas	2,279,000	1.80	4.50	1.28
Maryland	4,070,000	2.10	12.91	1.80
Missouri	4,757,000	2.27	7.42	1.73
Montana	721,000	2.02	3.45	1.27
Nevada	548,000	1.68	4.97	1.25
New York	18,265,000	2.80	24.11	2.50
North Dakota	640,000	2.11	3.47	1.31
Ohio	10,731,000	1.84	13.07	1.61
South Dakota	685,000	2.12	4.25	1.41
Wyoming	353,000	1.92	3.28	1.20
Minnesota	3,897,000	2.04	7.39	1.59

* * * *

Farm Trucks Registered in North Dakota

By Vehicle Type

Year	Pickups	Single Unit Trucks 2 axle	Single Unit Trucks 3 axle	Truck-Trailer Combinations	Total
1974	50,611	70,988	5,585	337	127,521
1955	29,636	43,693	78	17	73,424
		Non Farm Trucks			
1974	51,687	13,177	1,785	3,676	70,325
1955	12,578	9,901	669	1,440	24,588

NORTH DAKOTA FARM REPORTER

A Farm Publication Issued Monthly By
NORTH DAKOTA CROP & LIVESTOCK REPORTING SERVICE

345 New Federal Building., P.O. Box 3166
Fargo, North Dakota 58102

U. S. Department of Agriculture
Statistical Reporting Service



North Dakota State University
Agricultural Experiment Station
Dept. of Agricultural Economics

March 28, 1975

NORTH DAKOTA HIGHLIGHTS

NORTH DAKOTA FARMERS INTEND TO PLANT 1 PERCENT MORE ACRES OF MAJOR CROPS THIS YEAR.

HARD RED SPRING WHEAT ACREAGE 12 PERCENT BELOW LAST YEAR TO 5.8 MILLION ACRES. DURUM ACREAGE UP 4 PERCENT TO 3.6 MILLION ACRES.

EXPECTED OAT ACREAGE 15 PERCENT HIGHER AT 1.9 MILLION ACRES. BARLEY 23 PERCENT INCREASE TO 2.7 MILLION ACRES.

FLAX UP 2 PERCENT TO 890,000 ACRES.

CORN AND SOYBEANS BOTH UP 7 PERCENT TO 570,000 AND 195,000 ACRES RESPECTIVELY. POTATOES EXPECTED TO BE DOWN 5 PERCENT TO 132,000 ACRES.

DRY EDIBLE BEANS 7 PERCENT LOWER TO 125,000 ACRES.

SUGAR BEETS UNCHANGED AT 142,000 ACRES.

HAY ACREAGE DOWN 1 PERCENT TO 3.7 MILLION ACRES.

POTATO STOCKS ON HAND MARCH 1 UP 35 PERCENT FROM YEAR EARLIER AT 7.4 MILLION HUNDREDWEIGHT.

PROSPECTIVE PLANTINGS
(As of March 1, 1975)

NORTH DAKOTA: Farmers in North Dakota expect to plant fewer acres of hard red spring wheat, potatoes and dry edible beans in 1975, but more acres of durum wheat, oats, barley, flax, corn and soybeans, with sugar beets at last year's level. For the 11 major crops surveyed about March 1, the total acreage is expected to be nearly 1 percent larger than last year.

Hard red spring wheat prospective acreage of 5,790,000 acres is 12 percent below a year earlier. A 4 percent increase is expected in durum wheat to total 3,640,000 acres.

Expected plantings of oats at 1,920,000 acres is 15 percent above last year and barley prospective acreage at 2,710,000 acres represents an increase of 23 percent. Flax acreage is expected to be up 2 percent to 890,000 acres.

Expected plantings of corn at 570,000 acres and soybeans at 195,000 acres are both up 7 percent from 1974.

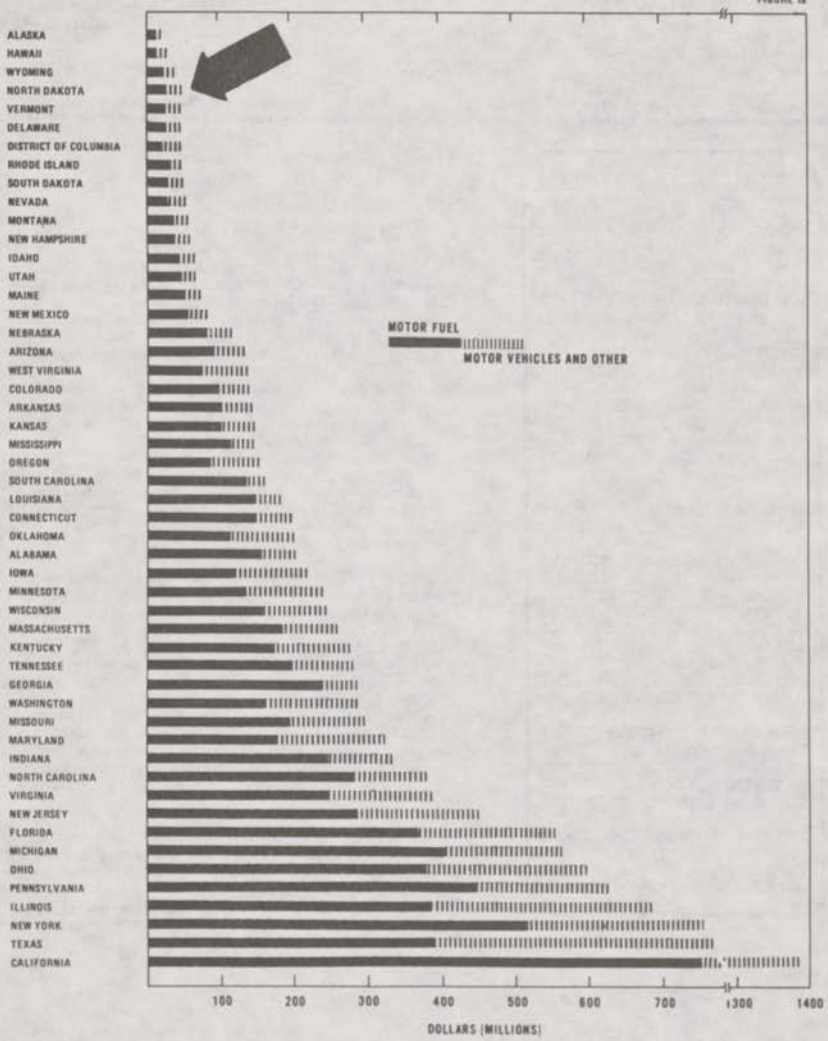
Prospective acreage of potatoes at 132,000 acres is down 5 percent from a year earlier and dry edible bean acreage is expected to be down 7 percent to 125,000 acres.

The acreage of all hay to be harvested in 1975 is estimated at 3,660,000 acres, down 1 percent from a year earlier. Sugar beets are expected to be planted on 142,000 acres, showing no change from a year ago.

Planting intentions have decreased from January 1 for hard red spring wheat by 5 percentage points, durum wheat 4 points and soybeans 2 points, but increased for oats, barley and corn 10 percentage points, 7 points and 6 points, respectively. Flax and sugar beet acreage expectations have remained at the January level.

TOTAL HIGHWAY - USER REVENUE
1973
(In millions of dollars)

FIGURE 19



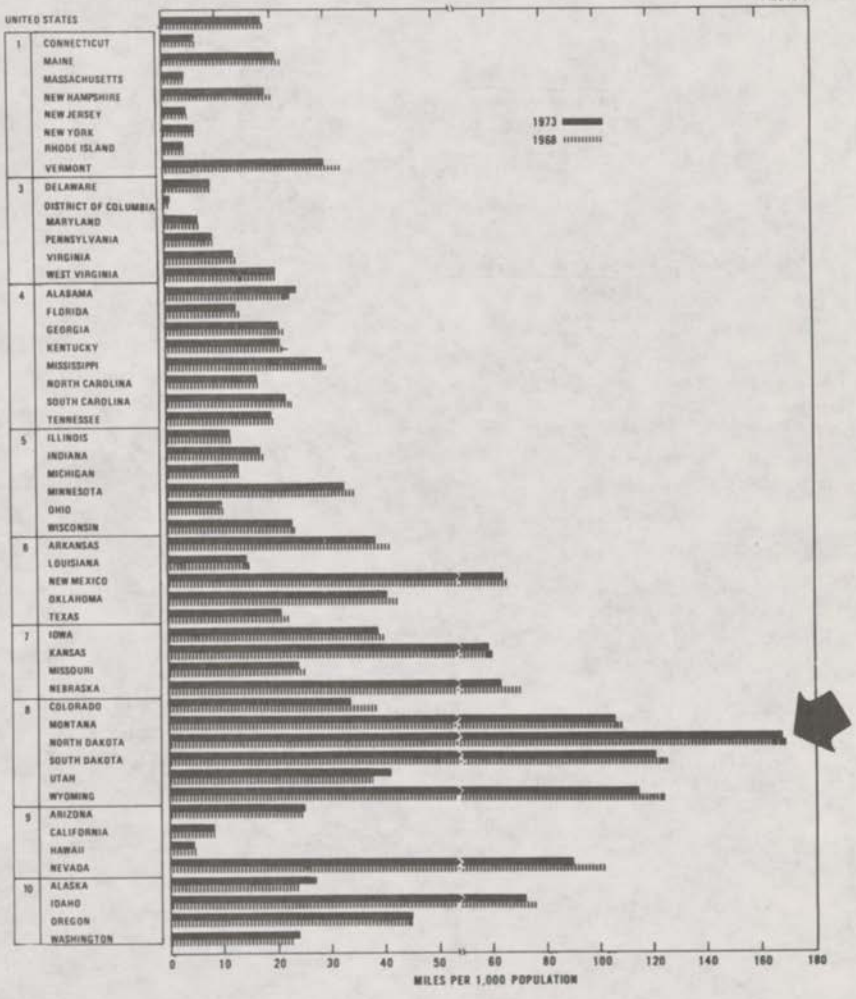
REPRODUCED FROM: HIGHWAY STATISTICS CHARTS
US DEPARTMENT OF TRANSPORTATION (Arrows Added)

RELATIONSHIP BETWEEN TOTAL ROAD AND STREET MILEAGE AND POPULATION BY STATE

1968 and 1973

(Miles per 1,000 population)

FIGURE 6



REPRODUCED FROM: HIGHWAY STATISTICS CHARTS
US DEPARTMENT OF TRANSPORTATION (Arrows Added)

HIGHWAY SYSTEM MILEAGE

At the end of 1973 the total miles on the State System was 6,935 miles.

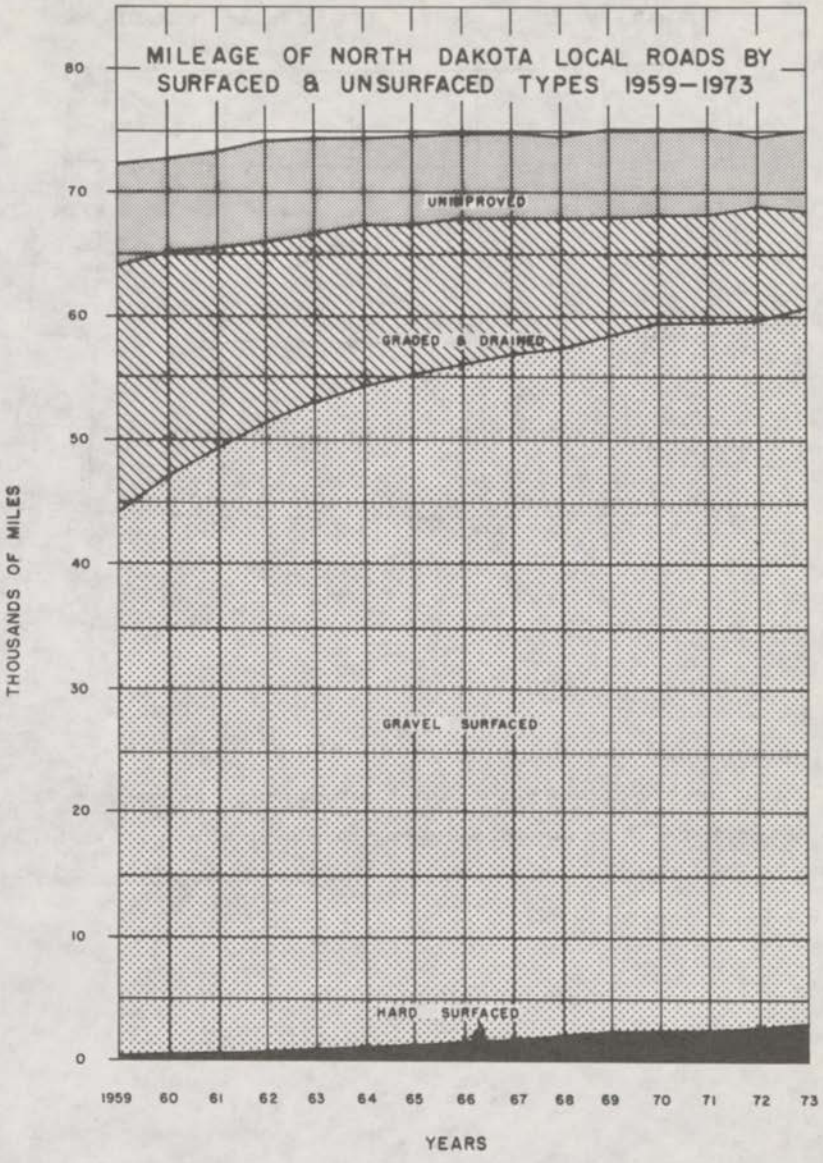
Surface Type	1973
Bituminous	6,046
P.C. Concrete	625
Gravel	260
Graded & Drained	4
	6,935

System Mileage	1973
Interstate	579
Primary	4,188
Secondary	2,164
State System Only 1/	4
	6,935

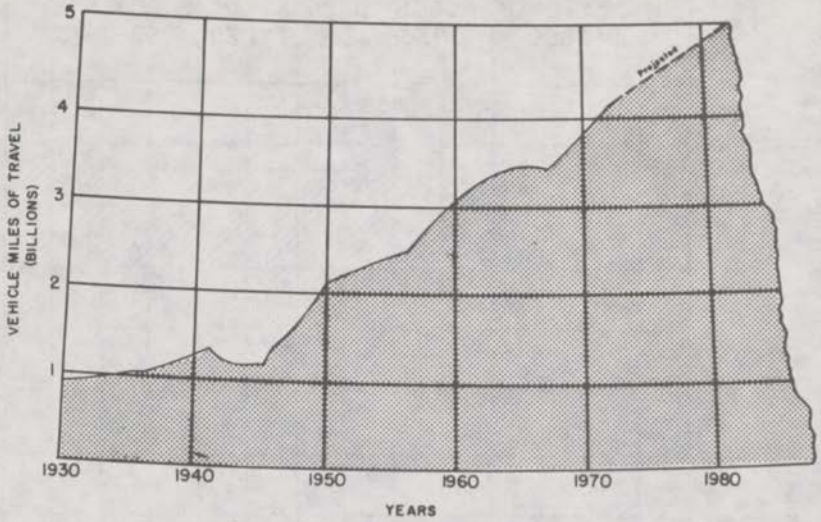
INTERSTATE SYSTEM

485 miles of four-lane completed Interstate and 30 miles of two-lane (Pembina) or 515 miles of Interstate are open to traffic. This is 90% of the 571 miles of Interstate designated in North Dakota.

1/ Not eligible for Federal-aid.


MILEAGE OF NORTH DAKOTA LOCAL ROADS BY SURFACED & UNSURFACED TYPES 1959–1973
UNIMPROVED
GRADED & DRAINED
GRAVEL SURFACED
HARD SURFACED
THOUSANDS OF MILES
80
70
60
50
40
30
20
10
0
1959
60
61
62
63
64
65
66
67
68
69
70
71
72
73
YEARS

VEHICLE MILES OF HIGHWAY TRAVEL IN NORTH DAKOTA



During the 1973 calendar year, travel on all roads and streets of the State totaled 4.3 billion vehicle miles. Of this travel 50% was generated on rural State highways; 27% was on local rural roads and streets; and 23% was on incorporated city streets, including municipal extensions on State and local road systems.

58-412 O - 73 - pt. 1 - 4

MOTOR VEHICLE REGISTRATIONS

CALENDAR YEARS 1968 THROUGH 1974

Calendar Year	Passenger Cars		Trucks		Total	
	Registrations	Change Over Previous Year Registration	Registrations	Change Over Previous Year Registration	Registrations	Change Over Previous Year Registration
1968	263,912	+ 3,351	141,307	+ 4,525	405,219	+ 7,876
1969	264,372	+ 460	146,742	+ 5,435	411,114	+ 5,895
1970	266,832	+ 2,460	152,581	+ 5,839	419,413	+ 8,299
1971	276,986	+10,154	158,004	+ 5,423	434,990	+15,577
1972	288,889	+11,903	165,370	+ 7,366	454,259	+19,269
1973	302,724	+13,835	178,133	+12,763	480,857	+26,598
1974	320,771	+18,047	195,895	+17,762	516,666	+35,809

SUMMARY OF DEFICIENT STRUCTURES
(Bridges & Culverts)

State Highway System:

Structures -- 755 bridges over 20 feet
315 culverts over 20 feet
1,070 Total Structures

183 structures are deficient either in safety related items or load capacity. All 183 found deficient should have some immediate attention; followed by a replacement program based on priority. We estimate over $215 million in 1974 dollars are needed for the replacement program.

County FAS System:

806 structures over 20 feet.

510 structures deficient in roadway width or load carrying capacity or 427 are deficient when using the lower minimum standard.

Estimated replacement cost is $30 million.

County Structures Not on FAS System:

5,097 structures (over 6 feet in length; not 20 used on FAS System)

3,175 are deficient and require replacement at an estimated cost of $156 million.

A total need in North Dakota of over $400 million.

REDUCED RAILROAD SERVICE

Reduced service and abandoned facilities are of greatest concern: loss of LCL service, agency service discontinued, weekly service reduced to tri-weekly or less, railroad express agencies closed.

Northern Pacific abandoned 30 miles of Mandan's South Branch in 1960. The Midland Continental abandoned 68 miles in 1970. Since 1970 Burlington Northern and Soo Line have returned 19 miles to service. In 1972 from Rutland to Ludden was abandoned. This is about 30 miles of track. Indications are that the track from Grafton North to Neche is not in use. This is approximately 40 miles.

In effect the railroads are abandoning service, if not tracks.

Year	Depot Shelter Sheds Removed	Agency Service Discontinued	Remove Loading Platforms	Remove Stockyards	Railway Express Agencies Closed
1973	4	4	-	-	-
1971-72	46	10	11	13	15
1969-70	71	45	11	12	46
1967-68	16	28	15	17	136
1965-66	24	15	8	25	7
1963-64	7	30	12	43	5
1961-62	3	17	23	41	47
1959-60	2	21	24	57	71
Total	173	170	104	208	327

Senator BURDICK. Thank you very much. Before we go into the question period, I have an announcement to make. The management of this motel is concerned about how they're going to feed this crowd today, and they say that the buffet will start in another 10 or, 15 minutes. As many as can get there early should start. Now we're getting close to the noon hour. We have another witness here and we have some friends from Montana and Minnesota. When we get to that point, I'd like to know any of those who would like to have an accommodation before we have a break; if so, we can take a few of them. Jennings, do you have some questions of these gentlemen?

Senator RANDOLPH. Yes. Briefly, Mr. Chairman, Mr. Bentz, you were speaking of the urban funds for mass transit. This might be thought to benefit just the great metropolitan areas. I do want to call attention in the record of this hearing, that Minot is one of four cities in this country that has been taking advantage of this new provision. Those are New York, Philadelphia, Boston, and Minot. Think of that. It's true because you are utilizing the bus situation.

Mr. BENTZ. To respond to that, Senator, I will tell you there has been no end of frustration on the part of the highway department and city of Minot to actually get a final approval of that grant at this point. The city of Minot has only what is called, letters of prejudice from the Administrator of UMTA, and they still must go through a long time-consuming process of technical studies, and that was the reason for my remarks regarding what I consider to be too complex a procedure for technical studies, in small areas.

Senator RANDOLPH. I agree entirely; too much redtape. Along that line, the suggestion was made, Mr. Chairman, by one of the witnesses, that field offices be utilized to a greater degree. I have long felt that we ought to return more authority to the States. I think the highway authorities within the States are better able now that we have the Interstate System nearly behind us. I hope we can bring that about. I am not sure who mentioned the need for the restructuring for the roads here in North Dakota, but I want to specifically ask, with your severe winter, this means in terms of increased costs.

Mr. HJELLE. As a result of having put load restrictions on for the four or five, sometimes it runs 8- or 9-week period is in the neighborhood of $3½ million to $4 million. This is the last figures that we had to our people, to the producers.

Senator RANDOLPH. I can see why there needs to be flexibility in relationship to the problems concerned with weather and other matters that cannot be controlled. Is matching a problem for you in 1976?

Mr. HJELLE. No.

Senator BURDICK. You took care of it?

Senator RANDOLPH. That's right. I am thinking of 4 or 5 years from now, what would be the picture?

Mr. HJELLE. It all depends on the energy crisis, Senator. I think we're all very cognizant of the fact that our economy can no longer stand the price that we're paying for energy. We're importing 40 percent, I believe it is, for fuel at the present time, and $24, $25 billion is going out of our country, I think. Something is going to have to be done, and if it will be done, basically depends on the increase in gas tax and deduction so far as travel is concerned. As a result of increase in gas tax, possibility increase in gas tax.

Senator RANDOLPH. Of course, it's on the side, but I think the energy crisis can become more severe than it was initially if there is another Mideastern rise in prices. I feel that very strongly. I think that rather than being out of the woods on energy problems, we are facing them to a degree that never faced them before.

We're going to have to recognize this. This gives me the opportunity to say I think that we have to reappraise our whole foreign aid program. Perhaps this should have been done sooner, but in Laos today, our people are moving out, not at the request, but demands of the Laotian Communist-dominated government. Yet, at the same time, the authorities are saying, "We want the aid program to be taken out. We want you, however, to leave the materials and facilities that you brought in, want to keep them here." Then they add, "Want to have you continue," that is, the United States of America, "economic assistance to us," and they use the expression "Without strings attached." All around the world, we've got to realize our priorities, even in a world that's much closer, one nation to another than ever before, that there has to be a realistic reordering of our foreign policies, especially from the standpoint of moneys.

I think this panel's functions have been very helpful.

Senator BURDICK. I think so, too. Mr. Robert McPherson, representing the American Federation of Labor.

STATEMENT OF ROBERT McPHERSON, REPRESENTATIVE, INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 49, AFL–CIO

Mr. MCPHERSON. Mr. Chairman and members of the subcommittee. My name is Robert R. McPherson. I am here representing the North Dakota AFL–CIO. I am one of many representives of local No. 49 of the International Union of Operating Engineers. Our basic work is the highway industry, mainly, the construction of highways and bridges.

Those crafts involved in construction of highways and bridges are operating engineers, teamsters, carpenters, laborers, welders, painters, cement finishers, and ironworkers. These people live in almost every town throughout the rural areas and are gathered together by the contractors, the labor unions, and the employment service to work for the various contractors on jobs all over this State.

Some of the jobs have large crews and with the small number of living quarters available, the men are forced to drive long distances to work and many times, one contractor will have men staying in several adjacent towns. This necessitates a system of roads for a rural State where our largest and almost only method of transportation is by our highways.

We are closely allied with the farmer, as a great number of our people are former farmers or sons of farmers. Therefore, we realize how important a good highway is to the farmer. In the hauling of grains, livestock, and other commodities, he must have taken off his farm or hauled to it in the course of his business. The large number of people living in the rural areas need a good highway and bridge system for police and fire protection and in the event of illness.

We people in the working class, also realize the necessity of a good highway and bridge system that is built heavy enough to eliminate

many of the road restrictions necessary today because of inadequate highways and bridges. These cause much longer routes for the trucking industry when hauling commodities to market. We feel the poor rural roads in the so-called breadbasket States will have a direct bearing on prices effecting our working brothers and sisters in our urban States.

In this rural State of ours, we are fortunate to have coal and water in the right places. We have, and are building powerhouses. We hope to be building gasification plants for synthetic natural gas. These plants will require a large number of employees. It is estimated that one plant will employ some 3,000—plus construction workers. Due to the fact that we are in a rural State, and our communities are generally small towns, these plants will require the workers to drive long distances. On the powerhouses we now have under construction, it has not been uncommon for workers to drive 100 miles or more one way to a job. These must be built at the convenience of the resources available and not for the convenience of the workers. We have many highly skilled workmen in all our rural States, and have had some very fine jobs with the minimum of work stoppages and safety problems. But again in rural States, automotive transportation is our only way to get to work, to the doctor, to the shopping areas, to forms of recreation, to churches and to get most commodities moved.

We have at the present time a Garrison Diversion project that Congress authorized in the early sixties, that will increase production to the farmers acreage, give badly needed water to many of the municipalities and furnish industrial water to many industries that may be able to start as a result of this project. This project has put a number of our people of all crafts to work. This has helped many of the small communities to increase their economy. Again we are back to the same story, the necessity of good highways and bridges to move people and the necessary construction materials.

We are also one of the rural States entrusted with the defense of the United States. The missile sites in North Dakota cover about half of the counties. Good highways and bridges are needed in the maintenance operation and upgrading of these missile sites, both construction materials and personnel.

Our highways and bridges in the rural areas, must constantly be upgraded to remain open regardless of our extreme weather problems. We are concerned about the safety conditions with highways too narrow, hills too steep, curves too sharp and not properly banked, bridges not wide enough, and with good surfaces that will not tear up vehicles, but will still allow safe driving for all the citizens of this country.

Mr. Chairman and members of the subcommittee, the people I work with in the construction industry do believe the best way to enable us to do this job is to ask you to help us maintain the Highway Trust Fund. This fund is a users fund and we know it is self-sustaining. Our people know that it is not a deficit spending fund. We have no quarrel with mass transit but feel that funding should be arranged through some other method of finance.

We ask you to consider the remarks made here today and the testimony submitted and give the rural communities of this Nation a good Federal aid highway act for 1975.

Mr. Chairman, I appreciate the opportunity of giving our views to this committee.

[A supplementary statement follows:]

A WRITTEN REPORT FOR THE NORTH DAKOTA A.F. OF L.–C.I.O. TO SUPPLEMENT THE ORAL PRESENTATION BY ROBERT MCPHERSON OF INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 49

Mr. Chairman and Members, one of the big concerns of the working people in the Highway Construction Industry is a continuation of the Highway Trust Fund, so that when the Interstate Highway System is completed the Fund will then be used for the primary and secondary Highways in the rural states.

We are vitally concerned about a relaxation of red tape on environmental impact statements. We people in the industry are basically people of the soil. As such, we are as concerned about pollution as the environmentalists. We people of the older generation respect the feelings and wishes of the younger generation, as many of us have children and grandchildren, and in no way want to harm their environment. But the amount of studies necessary for a Highway or a bridges seems to us to use more money and time than actual construction costs could be.

All the people in the country along with the people I represent and work with, are concerned with the energy crisis. The cost of fuel for transportation has become a big part of many budgets. We feel we need a good Highway where a constant speed can be maintained rather than an old worn out Highway. Decent bridges, and enough bridges and good Highways to cross our many rivers and creeks to enable us to get from one point to another without excessive traveling and usage of fuel.

We are told that a great percentage of the bridges throughout the United States are inadequate and in many cases dangerous. Quoting from a construction bulletin, we are told that bridges have not been built less than 16 feet wide since the twenties. The bridges then were built to carry 2 and 4 ton trucks. Keeping this in mind, the state of Mississippi has 7,318 bridges, Arkansas has 7,012 bridges, and Indiana has 7,871 bridges. These bridges are all less than 16 feet wide. The state of Minnesota has 3,672 bridges that are in need of replacement. Again we wish to point out, the extension of the Highway Trust Fund in our opinion becomes a mandatory concern for all of us to correct these inadequacies.

We also have been concerned over the impoundment of Highway moneys. We are grateful for the funds that have been released and believe that the funds still impounded should be released in an orderly fashion. It is difficult for contractors to gear for a huge construction season and then, through the impoundment of funds the following year, be almost without work. The man power problem create the same troubles.

The Federal tax on gasoline should be reserved strictly for Highway construction programs. State and Federal governments should continue and increase their efforts to reduce red tape which cause undue delays in the completion and acceptance of Highway projects. The definition of construction should be amended to also include reconstruction, restoration, and rehabilitation projects. These should be eligible for Federal Aid.

Our farm to market roads must be designed for the heavier loads carried to market at this time. They also must be able to carry the heavier farm machinery that is on the market today. The farmer and the trucker are both investing in larger equipment, hopefully, to get commodities to the market at a cheaper hauling cost. But with the inadequate road and bridge systems it becomes necessary to drive many miles out of the way and thus, increase the cost of the product.

We are told that the new Washington, D.C., mass transit system will reportedly cost $5 billion dollars. This is to move people around within a metropolitan area. The same amount of money spent on rural road systems would upgrade the roads, replace inadequate box culverts and small bridges and would in the end result improve approximately 25,000 miles of rural roads. We realize with the growing population and the world needs that we must have full agricultural production but with low prices, high transportation costs due to inadequate road systems, many of the farmers become discouraged, go into other work and sometimes leave their land idle. We do not believe today, we can afford this.

Here in North Dakota, we have 2 large Air Bases, in support of the missile programs. These Bases require a good road system to move materials and personnel in and out. In a state such as North Dakota, these Air Bases are recognized as fairly large cities. They have increased our population and as a result have increased the usage of our roads.

The tourist industry has become an important part of our economic picture in North Dakota. We people, who live out here in "God's Country" will gladly share the beauties, the history, and the peace and solitude of this country, with our less fortunate Americans, who with the pressure of modern civilization can relax in the beauty of our rural states. But we must have a system of good highways to enable the vacationing public to enjoy the picturesque country side.

We are fortunate here in North Dakota to have an Interstate System and are very thankful for the people who in their wisdom, created a Highway system throughout this great country of ours that could serve a multi-purpose for transportation. We know with the amount of use our Interstate systems have that it will be necessary to keep adequate funds available for their rebuilding and major maintenance. Again, we feel that the answer is for this work to be paid for by the user, this will be our dedicated Highway Trust Fund.

Workers today are very concerned about the amount of work that will be available with inflation and recession. Many of us, in the older age brackets, remember the depression of the 30's and how President Roosevelt and the Congress through NRA, PRA, and WPA had work available to bring us out of the depression.

If we have funding on our Highway work without further impoundment of funds, figures I have received from our Highway Department here in North Dakota show, that up to 5,000 employees would share labor costs on $40 million dollars construction program. Where approximately $14 million dollars would be direct labor costs.

According to employment security in 1974, on street, highway and other heavy construction we had 194 separate employers, during the months of July, August and September. With an average payroll, during that 3 month period of 4,404 construction workers. This resulted during the unemployment week of March 12, 1975 of 1,526 construction employees collecting unemployment compensation. The estimated unemployment rate was 25.7% in the construction industry. At this critical period, we are lucky enough to be in a high employment area with our power houses able to absorb a number of our people at this time. And without a decent Highway system it will be extremely difficult for all the power plants including those under construction, and some about to start to get there materials and personnel to their respective sites.

Mr. Chairman and Members, the workers of this great country are also the principal tax payers. If we do not have a Highway Trust Fund to stabilize our Highway industry we will not be able to support our government as we should. In your deliberations we would ask you to give favorable consideration for our attempt to assist you in giving us a good Federal Aid Act for 1975.

We would also like to call your attention to the need to provide a total integrated system of transportation for the populace. Many of our citizens cannot take advantage of the highway system which we have at present, as well as improvements needed for such system.

We have thousands of our citizens who live in small communities of our state without any transportation whatsoever. These people do not own a car. They include the handicapped, the student and the aged. They need a means of transportation to get to and from the centers of education, medicine and commerce.

Even though we live in a sparsely populated area, we should nonetheless provide a regularly scheduled all-weather means of transportation.

May we suggest that such transportation can be provided by making moneys available to furnish and maintain rail passenger service upon the railroad branch lines in this state. Such service would then be available to nearly all our citizens as the branch lines were constructed to provide service from the small communities into the larger centers, where connecting transportation service is available. A dual purpose could thus be served.

While it seems strange that just a few years ago we were discontinuing rail passenger service to and from small communities all over the country, the ball game has changed. We now need mass transportation to conserve energy and because of the increasing number of people who are aged, handicapped or students, such service becomes imperative.

Another salutary benefit to be derived from increasing and improving rail transportation to and from the small community, will be elimination of the necessity of people moving into crowded population centers just to be close to the medical services found only in such centers. The return of rail passenger service may very well stem the exodus from our small communities.

Senator RANDOLPH. Mr. Chairman, Mr. McPherson speaks of unemployment in the construction industry. But the record should

reflect that whereas we have an unemployment rate of approximately 9 percent throughout the country in the construction industry, it's approximately 19 percent in North Dakota. Is that correct, Mr. McPherson?

Mr. McPherson. Yes, sir.

Senator Randolph. With the releasing of the impounded highway funds, additional moneys have come into North Dakota. That, of course, is going to do what you are asking—provide employment. When roads are constructed, employment follows. For each billion dollars expended on construction of roads we estimate that 125,000 persons are given employment.

That doesn't mean that with each billion we can expect an additional 125,000, because of overlapping, but I would think that we can expect within the next 3 or 4 years we'll be providing 250,000 to 300,000 persons jobs in the construction of roads throughout the United States. So this is very vital as we consider unemployment figures in the construction industry. Are you agreed?

Mr. McPherson. Yes, sir.

Senator Randolph. And I think this is very necessary that the record reflect it's important to have public works jobs, because in public works one job produces another job and that job, another job, and another job. Then we have left within the community a project that is of lasting benefit. That doesn't mean I am speaking against public service jobs, Mr. Chairman, but those are jobs where within a political subdivision, a person is given a job and that is necessary in many, many cases because those are the persons who cannot work in the heavy construction efforts, wherever they may be, so we need those in government. But I stress the need for the public works jobs, and we have done too little in this field.

Senator Burdick. Thank you.

Mr. McPherson. Thank you, Mr. Chairman.

Senator Burdick. To our neighbors in Montana and Minnesota, do any of you that are here today have travel problems? I said awhile ago we would try to accommodate you if we could. Who's here from Minnesota, for example? Do you have a problem? Can you wait until after lunch, or not?

Voice. No problem at all.

Senator Burdick. How about Montana?

Voice. We'd take 10 minutes now, if we could.

Senator Burdick. Come on up. Introduce your panel for the record, please.

STATEMENT OF H. J. ANDERSON, DIRECTOR OF HIGHWAYS, STATE OF MONTANA, ACCOMPANIED BY: STEVE HELMBRECHT, GLEN JACOBSON, AND BILL BAETH

Mr. Anderson. I am H. J. Anderson, director of highways for the State of Montana. On my far left is Steve Helmbrecht, representative for the State of Montana. On my direct left is Mr. Glen Jacobson from the State of Montana. On my right, Mr. Bill Baeth, representative of the State of Montana. We are very happy to be here.

Gentlemen: The State of Montana appreciates the opportunity to present to Congress, through your subcommittee, its views on the needs of the State and methods of solving these needs.

This testimony pertains to road systems, both on and off system, in the State, excluding only the interstate.

Twenty years of emphasis on the Interstate System has resulted in serious deterioration of Montana's primary and secondary systems.

Its 5,200 miles of primary roads include 2,900 miles which need reconstruction now. Functional reclassification will add an estimated 1,206 miles; 177 miles of which are unpaved—38 bridges on this and other systems need replacement now.

Montana's secondary system totals 5,929 miles, but after functional reclassification the total will be approximately 3,711 miles. About 1,600 of these miles are unpaved.

The county, or local road system in Montana totals 53,821 miles, of which only 1,653 miles are paved. Functional reclassification will add 1,012 miles to this total as these miles will be deleted from the secondary system.

Montana proposes that this committee give serious consideration to the following:

One: Preservation of the highway trust fund and tax base in its present form as a minimum until the Interstate is completed and until the primary and secondary systems in rural America have been built or rebuilt to some modern standard.

Two: Adoption of an adequately funded program for off-system or local roads, including bridges. The program should give by law, and not regulation, to the State and/or local authorities, flexibility in administering the program to insure a high percentage of allocated dollars for actual construction, and a small percentage for administration, engineering, and other nonconstruction items.

Three: The current urban-extension-system problem in Montana could be corrected by one or more of the following: (*a*) adoption of a minimum apportionment to each State of ½ of 1 percent of the total urban extension apportionment; (*b*) allow unlimited transfer between urban and urban extension funds in cities between 5,000 and 50,000 population; and (*c*) a substantial increase in urban extension funding.

Four: Continuation of a minimum apportionment to each State of ½ of 1 percent of the total urban apportionment.

Five: Special funding for replacement bridges on all systems excluding the Interstate System.

Six: Reduction in the number of funding categories or grant transfer flexibility to the States so they can best fit the money to their needs.

Seven: Encouragement of certification acceptance by DOT, FHWA, and the States with the desired result to be a substantial reduction in redtape, and a reduction in the timeframe between inception and construction of a project.

Eight: If Congress foresees a permanent reduction in speed limits, consideration should be given by DOT and FHWA to a reduction in standards which will complement the reduced limits.

Nine: Adequate funding of section 701 planning funds so energy-rich areas of the State facing an explosion in growth can adequately prepare for the tremendous changes and demands thrust upon them.

Ten: The Montana Legislature has provided approximately $17 million in new State funds over the next 4 years for highway construction in the Colstrip economic-growth area. Montana asks that Congress recognize this forward step by providing special Federal funds to match the $17 million.

Montana will gladly cooperate and provide details for any of the suggestions which have been made.

Senator RANDOLPH. What is Colstrip?

Mr. ANDERSON. Colstrip is the name of a coal area in Montana which has been in existence for years, and more or less quiet for a number of years. Now they are being hit with tremendous explosion in growth.

Senator RANDOLPH. Surface mining area?

Mr. ANDERSON. Strip mining; yes, sir.

Senator RANDOLPH. Well, it's a surface strip?

Mr. ANDERSON. OK.

Senator RANDOLPH. I think it's important, Mr. Chairman, for us to recognize that whereas it costs a certain figure per mile to build an interstate road, there are States where the cost is 3 times that national average. It would be good to know the cost in these four States we are considering here today.

Senator BURDICK. We appreciate you coming down from Montana, and thank you for your contribution.

Mr. ANDERSON. Thank you very much.

Senator BURDICK. The committee will be in recess until 1:30—oh, I am sorry.

VOICE. Yes, Mr. Chairman. I will be very brief. I certainly appreciate the opportunity to testify before your committee. I appear as a rural road user, also a State representative.

Senator RANDOLPH. You believe in that act?

VOICE. No, sir.

Senator RANDOLPH. Why not?

VOICE. Why not? In Montana, we have long distances to travel and have a good interstate down in the southern area. I go to sleep on it at 55 miles an hour.

Senator RANDOLPH. Well, now, I authored that 55-mile-an-hour law.

VOICE. But I think there should be a valid reason to change some priorities in the highway system.

Senator RANDOLPH. Mr. Chairman, may I take just one minute. I think it's important to realize that if there is enforcement of the 55-mile-an-hour speed limit throughout all the States we save approximately 140,000 barrels of gasoline every day. Now, this is important, isn't it, in the energy savings that we talked about?

VOICE. Providing 55 miles an hour is a saving; yes, sir. Providing that it is a saving on fuel usage. Some vehicles, it would be questionable.

Senator RANDOLPH. There is a proven fuel savings from driving at slower speeds. And also there's the added benefit that I think is very important. That is a reduction of traffic accidents and fatalities. I would point to Montana. Just take one month, for example, you had 26 fatalities in the month of March 1973. In 1974 it dropped to 15 in the same month. And this year it dropped to 14. So we do believe there is a lessening of traffic accidents and fatalities, as well as energy conservation. And also I think you will enjoy Montana and North and South Dakota and Minnesota a little more when you look out and see the beauties that there are. Don't you believe that is in consideration?

Senator BURDICK. We'll be in recess until 1:30.

AFTER RECESS

Senator BURDICK. Mr. McCoy, we will hear from you at this time.

STATEMENT OF GERALD W. McCOY, EXECUTIVE VICE PRESIDENT, ASSOCIATED GENERAL CONTRACTORS OF NORTH DAKOTA

Mr. McCOY. Mr. Chairman, Senator Randolph. My name is Gerald W. McCoy, executive vice president of the Associated General Contractors of North Dakota.

I represent the highway construction industry of North Dakota with a contractor membership of 73 firms. It is indeed a privilege to have the opportunity to appear before this very important committee and be allowed to discuss a very important subject; that being the continuation of a rural highway construction program upon the expiration of the existing program in fiscal year 1976.

Mr. Chairman, your committee will have the opportunity to hear many associations and organizations expound on their particular individual interests, thus as a representative of the construction industry in North Dakota, I will confine my remarks to that end only.

The construction industry's concern that a continuing uniform highway construction program be continued after fiscal year 1976 is very simple. The cost of maintaining a balanced construction equipment inventory to properly construct highways, bridges and streets is very costly. There is no way in today's business world that a contractor can maintain this balanced inventory unless he has some sort of a uniform market for its use.

You committee members, I am sure, are well aware of the industry's problems when the highway trust fund became a yo-yo with regard to the releasing of the trust funds in an nonuniform manner. Delays in construction existed, construction costs increased substantially, operator expertise declined and projects being constructed under the stage construction program deteriorated, but most seriously of all, small and medium size highway contractors were forced to close their business doors. This, in turn, created substantial economic problems affecting employees and suppliers. If a continuing program is not developed and ready to be inaugurated at the completion of the existing program, Congress can certainly expect to observe a repeat of these situations that I have just mentioned.

The North Dakota highway construction program was programed under the stage construction concept. Our association, the AGC of North Dakota, subscribed to this concept as more improved highway miles were made available to the rural citizens of our State as well as were made available to the rural citizens of our State as well as furnishing an acceptable paved surface for the movement of farm products. North Dakota being one of the bread basket States within the Union and the decline of railroad services within our State, puts more emphasis on the necessity to complete the unfinished stages of construction on our existing North Dakota rural highways. If a continuing program is not maintained, all of the citizens that have contributed to the development of the highway system will have the opportunity to watch time and money go down the drain.

Your committee will hear testimony regarding many areas of concern that a continuing highway construction program be continued. Possibly that testimony will contain some multiplier figures. However, I would remind the committee that $1 billion of highway construction guarantees $530 million construction payrolls and also that $1 billion of highway construction will guarantee $470.4 million in corporate expenditures and $85.5 million in payroll taxes.

Mr. Chairman, your committee's decision on continuing rural road construction is going to be very critical to our industry. We sincerely hope that your decision will be to protect what we have and upgrade the other areas of rural roads and bridges that we, in North Dakota, need so badly.

Again, Mr. Chairman, I thank you for the opportunity to appear before your committee.

Senator BURDICK. Thank you for your contribution. Mr. Bashus.

STATEMENT OF EDWARD E. BASHUS, PRESIDENT, NORTH DAKOTA RETAIL ASSOCIATION

Mr. BASHUS. Mr. Chairman and Senator Randolph, in recent years we have all heard responsible persons, from the President of our United States—Governors of a number of the various States, and many of the mayors of the larger cities described the social problems brought about by our people gravitating to the urban centers of our Nation.

The one best solution to these problems, it follows then, is that our people stay where they are—in other words, remain in the smaller communities of our Nation—and certainly, in as many cases as possible, stay on the farm.

Much of this population shift, I am sure, is triggered by the need for people to place themselves into closer proximity to goods and services—especially older people. You know that a pretty good percentage of the population of our smaller communities are of retired persons—people who have retired, in many cases, from farms and ranches of the immediate area.

The viability of our North Dakota small communities and their ability to hold and increase their citizenry is measured by the economic stability of the business and professional community in making goods and services available to the people of that particular trade area.

Far the majority of the membership of the North Dakota Retail Association is made up of small, independent retailers located in these small communities to which I have been referring—shoe stores, hardware stores, grocery stores, jewelry stores, ladies' and men's ready to wear stores and gasoline service stations. If there is any last vestige of what might be construed to represent the good old American free enterprise system it certainly has to be these kinds of retailers.

It would be simply impossible to overemphasize the importance of our road and highway system to the success of these retailers and the total maintenance of these North Dakota cities. Virtually everything used by North Dakotans in the way of durable goods and even an overwhelming percentage of the food products that pass through this business community, originates from out of State and reaches us by motor freight.

Our small North Dakota independent retailers find themselves at great disadvantage with the mass merchandisers—their ability to buy in great volume and to consequently hold their freight expense at an absolute minimum. Our North Dakota retailers, on the other hand, buy in small lots or on a "special order" basis, need to resupply much more often and consequently are in need of the best possible freight services, all the while absorbing a ratio of freight rates to volume of business probably twice that of the mass merchandiser.

Our retailers' ability to compete successfully, with his higher prices, is his personal acquaintance with the majority of his customers, personal attention to the customers individual needs and to provide this merchandise with the least possible delay.

All weather roads from the arterial highways to and between these communities are absolutely critical to this closely balanced business climate.

We have seen the routes of the railroads and certain motor carriers and bus lines restricted or done away with completely as the population of our farm areas and towns decline. They discontinue service to these areas; the shifting of populations from these areas is accelerated and the chain action continues.

I respectfully urge you to recognize the relationship of adequate roads to this population dispersion and the impact upon the stability of the retail community and to take the appropriate action to provide the necessary funding for our North Dakota highway system.

Senator BURDICK. Thank you very much for your contribution. Senator Randolph?

Senator RANDOLPH. Very quickly, I think the record should reflect that the impoundment of Federal-Aid Highway funds did not come into being with the administration of President Nixon or President Ford. I would want that to be very clear. It started with the administration of Lyndon Johnson. At that time it was on a very small basis, relatively speaking, and President Johnson recognized the validity even then of the attempts within the Congress to have those funds released, and that was done. I won't go into all the history of it. We have been disappointed, understandably so, that it's been difficult to have funds released. We did not want to take the route that we did by the passage of Senate Resolution 69 by a vote of 77 to 7.

I personally would have preferred that the money be released without resorting to that action, but I do want the record to show that that procedure was not hastily arrived at. The resolution was introduced in February of this year, and we waited until before acting in the Senate. Before we brought it to the Senate, we had the approval of the Public Works Committee of the Senate, the approval of the Appropriations Committee of the Senate and the approval of the Budget Committee, a new committee within the Senate. So all of those committees had given prior approval to the resolution before it came to the Senate floor. I wish that the President had realized that the feeling within the Congress which was reflective of the American people who very much wanted these impounded funds released. I think also it is important, Mr. Chairman, to point out that not only highway funds were impounded, but we had the impoundment of funds for sewage treatment plants and other projects.

The Congress believes that it is not within the prerogative of any administration, to withhold these funds, and all the courts cases to date have been, of course, supportive of this thinking. I just want the record to be very clear that there are not partisan politics involved. This is not in the picture. You couldn't have had a vote of 77 to 7 on S. Res. 69 if it were a Democratic or Republican question. That's what I am trying to strengthen as we discuss it here today.

Senator BURDICK. Thank you, gentlemen. Mr. Eugene L. Rowen, Deputy Secretary of Transportation, State of South Dakota.

STATEMENT OF EUGENE L. ROWEN, DEPUTY SECRETARY, SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

Mr. ROWEN. Mr. Chairman, Senator Randolph, I am Eugene Rowen, Deputy Secretary for the Department of Transportation for the State of South Dakota.

Mr. Herb Teske, the Secretary of the South Dakota Department of Transportation regrets that the press of business prevents him from personally appearing at the hearing this afternoon. I would like to present his statement.

Gentlemen, I am grateful for the opportunity to address the Senate Public Works Subcommittee on Transportation and to present some of the transportation problems which we face in South Dakota. Many of the problems we have are shared by our neighbor States and others are unique to South Dakota.

Recognizing the basic rural nature of South Dakota it is clear that our most pressing need at present and for many years into the future will be funds for primary and secondary highways. Increased costs for labor and materials and declining revenues from motor fuel taxes threaten to curtail the vital services of highway construction and maintenance so important to the economy of our State.

The State trunk system as established by the legislature consists of 9,293 miles of highways of all classes, including 678 miles of interstate of which 115 miles remain to be completed. 1,493 miles of our State trunk system are not maintained by our division of highways, since we have not been able to do any construction on those sections to the present time. Of the 7,800 miles maintained by the State, 35 percent is rated unsatisfactory according to modern standards and our federally approved sufficiency ratings. Another problem which is becoming more critical each year is the condition of bridges on our State trunk system. An inspection of our bridges completed in the fall of 1974 revealed that 205 of our 1900 bridges are deficient to the point of constituting hazard to safe travel. Of these bridges 63 show fatigue and deterioration to the extent that restrictive load limits have been posted. It is imperative that an extensive bridge rebuilding program be launched without further delay. However, at the present time we lack the funds needed for such a program.

I mentioned the spiraling costs of highway maintenance at the beginning of my presentation. Let me present an example. In 1964, $5,061,000 was spent to maintain the State trunk system. This made up 8.2 percent of our total budget. In 1974 we spent nearly $18 million for maintenance, or 22 percent of our total budget. In 10 years our expenditures for maintenance have more than tripled over

the 1964 total. Costs of construction have escalated in a similar manner. In 1970, on a typical Interstate project 11.02 percent miles were graded and surfaced for $6,827,000. In 1974 that same amount of money would build only 6.32 miles, or 43 percent less. A primary project was also completed in 1970 which involved 12.8 miles at a cost of $1,708,000. In 1974 the same amount of money would have built only 7.37 miles, or again 43 percent less.

The costs of our construction and maintenance projects have been further inflated by the President's energy policy which ultimately would have increased the price of imported crude oil by $3 per barrel. Fortunately, the President, on March 4 delayed the imposition of additional tariff on oil but left in effect the $1 fee which he had earlier imposed. A recent study by the Library of Congress shows that even a duty of $1 per barrel will impose a significant burden upon all of our citizens who are direct or indirect users of petroleum energy. It is estimated that if the indirect ripple effects on the economy are included, the total cost to the country, according to the study, could be as high as $10 to $13 billion a year. The effect of this increase on the cost of asphaltic-highway-construction materials is unknown at the present time, but any substantial increase in our already inflated costs could make the use of these materials for highway construction and maintenance prohibitive.

Several proposals have been advanced by the Congress and the administration for alleviating problems of financing transportation in the various States. These proposals include elimination of the highway trust fund, rebating Federal gas tax and excise taxes back to the States, increasing the Federal gas tax, and reducing the Federal gas tax. None of these proposals is wholly acceptable for reasons which I shall address shortly.

At the State level our Governor requested that our legislature enact a 2½-cents increase in the State gas tax, with one-half cent going to the municipalities. It was felt that at least that much was needed to keep pace with the rate of inflation and to achieve approximately a 1970 level of highway construction and maintenance. Unfortunately, the legislature saw fit to grant only a 1-cent increase in the gas tax with no portion of the receipts going to the municipalities. This will provide a net increase of $3,200,000 for highways at the 1974 rate of consumption. Despite this increase we will fall far short of the 1970 level.

It appears at this stage that unless something takes us off our present course, we will be at near zero in new reconstruction of our highways by 1977. At that time our funding will be dedicated almost solely to maintenance. We shall be hard pressed to provide even the matching requirements for Federal-aid construction projects.

It is evident that the highway transportation problems of the States must be addressed at the national level. The sheer immensity of these problems exceeds the State's capacities for remedy or amelioration. I therefore recommend that the Congress take the following actions in highway legislation:

One: Accelerate the funding for completion of the Interstate System. Originally the system was scheduled for completion in 1976. However, inflation has put this goal out of reach. At present funding levels we are able to build and surface about 10 miles annually. There will still be approximately 50 miles of I–29 to construct in South Dakota at the end of fiscal year 1977.

Two: Preserve the highway trust fund. South Dakota, along with 25 other States are "receivers" in terms of the relationship between contributions to and benefits received from the trust fund. Over the past 10 years we have received an average of $1.80 in apportionments for every dollar that we have contributed to the trust fund. Former Secretary of DOT, Claude Brinegar, consistently advocated that the trust fund be terminated. It is my understanding that President Ford will submit to the Congress a 4-year highway proposal which calls for elimination of the trust fund except for completion of the Interstate.

The Kennedy-Weicker bill [S. 1300] would terminate the trust fund, channel the highway-user fees into the Treasury general fund, and place greater funding priorities on urban mass transit. I do not believe these measures to be in the best interest of the States of rural America.

It is not only in our own self-interest, but for the best interest of the country that I recommend not only the preservation of the fund, but the preservation of the user-benefit concept underlying the creation of the trust fund. Termination does not seem consistent with any rural growth policy which would seem to be a logical long-range goal in alleviating problems of urban congestion.

Three: Revise the 1973 Highway Act to reduce the number of funding categories and increase flexibility in the use of funds. I favor a return to the policy which existed prior to the 1973 act in which the States had flexibility to use primary or secondary funds anywhere on the system. The number of categories should be reduced from over 30 to 3; namely, Interstate, primary and secondary.

A further change in the 1973 Highway Act is recommended in the method of allocating metropolitan planning funds under section 112. It is a requirement that these funds be channeled directly to planning organizations or districts in cities over 50,000 in population. As a result, only one city in South Dakota receives the total minimum allocation—more than $300,000 over a 3-year period. This amount exceeds the planning requirements for this metropolitan area by several times over. States should be authorized to establish their own formulas so that these funds could be utilized by other urban areas in each State, as well.

Four: Provide for transportation needs of citizens in rural areas. I recognize the need for mass transit in the Nation's urban areas. However, something needs to be done beyond demonstration projects to provide for public transportation in our rural areas. Particularly needy are the aged, poor, and handicapped who have extreme difficulty in taking advantage of health and welfare services because of inadequate transportation facilities.

In the time remaining, I would like to bring to your attention several concerns that I have in the area of rail transportation and aeronautics.

The problem of railroad abandonments and the future of branch lines are critical concerns since 10 percent of this mileage in South Dakota is currently proposed for abandonment. The recent legislation dealing with the Northeast rail corridor does little to solve our problems. I recommend that the U.S. Department of Transportation and its Federal Railroad Administration be given a congressional mandate to present a coherent national policy on branch-line operations in the Middle West. This is basically a regional problem which

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is of equal concern in our neighboring States. The issue should be addressed not just from the standpoint of the effect on the railroads, but also from the standpoint of its effect on the communities and shippers served by branch lines. The major commodities shipped in South Dakota do not lend themselves well to truck shipment, and should trucks be called upon to haul these commodities presently moving by rail, the result would be costly upgrading of existing highways to handle the increased loads and traffic.

In the field of aeronautics our concerns are that the present airport development aid program will not be renewed upon its expiration on June 30 of this year. We believe the funding level of the ADAP should be increased over its present $310-million level to stay in line with inflated costs in airport construction. This could be accomplished by carrying over balances of funds built up over the past 3 years plus a surplus existing in the old FAAP program. In addition, funding should be provided for acquisition of land outside the airport boundaries for safety buffer zones. We do not believe that aviation trust fund moneys should be used for funding the FAA operating budget.

I thank you for the opportunity to present these statements which I hope will assist you in your deliberations.

Senator BURDICK. I want to thank you for that statement. You have hit the high points in a hurry. And I gather the main points of your—or thrust of your statement is you'd like to get the States more flexibility in how they handle their allotment of money.

Mr. ROWEN. We share the same concerns of the other States in the highway trust funds. We want to see it continue. We have the same similar problems with the rural projects and not urban and our mass transit needs are strictly to provide service to the rural people rather than the urbanized areas in the State. We only have one urbanized city and that is Sioux Falls and a portion of Sioux City, S. Dak.

Senator RANDOLPH. Mr. Chairman, in 1964, Federal highway funds were approximately 3.5 percent of total Federal spending. Today those funds are 1.8 percent. Yet there are persons who continually say that we are doing more and more and more in highway construction. Actually, that is not true. To keep that 3.5 percent level today we would need a program of $9 billion a year. The President, of course, has recommended approximately $5.2 billion a year. The record should clearly indicate that the percentage of highway funding as against total Federal spending is not greater than in the past. It is much less. I am understanding, of course, that there are different viewpoints on these matters, but these are the facts.

I thought, Mr. Chairman, it should be part of the record.

Senator BURDICK. Thank you very much. The next witness will be Bruce Hagen, commissioner of the North Dakota Public Service. Welcome to the committee, Mr. Commissioner.

STATEMENT OF BRUCE HAGEN, COMMISSIONER, NORTH DAKOTA PUBLIC SERVICE COMMISSION

Mr. HAGEN. Thank you, Senator Burdick and Senator Randolph.

I appear for the North Dakota Public Service Commission. Our commission is a State agency empowered to regulate the rates and practices of railroads, motor carriers, telephone, electric and gas

utilities, common carrier pipelines, grain elevators and public warehouses, roving grain and hay buyers, auctioneers, weights and measures, licensing of surface mining and reclamation, and the siting of power supply facilities and transmission lines.

The commission operates as a quasi-judicial, quasi-administrative, and quasi-legislative branch of State government. The total wealth of the industries that we regulate is estimated to be several billion dollars. This figure will be higher with the advent of regulation of powerplant and transmission line siting and with anticipated higher coal prices.

I appear today to represent the full commission which is comprised of Richard Elkin, president, Commissioner Ben Wolf, and myself.

The commission's jurisdiction extends to all of the areas that I have already mentioned, but of particular importance for this hearing, I want to point out the necessity to maintain an adequate and modern road system.

North Dakota has a vast land area with over 44 million acres and 73,000 square miles. Our population of slightly more than 600,000 people relies heavily on the trucking industry to provide for its needs.

North Dakota does have an extensive railroad system. At present we have 5,079 miles of railroad track. About 1,500 miles are considered to be main line. The remainder is generally considered to be branch lines, which serve smaller communities. We have over 30 branch lines. The physical plant is not maintained as well as it should be to properly move modern rail equipment.

Consequently, it is entirely possible that North Dakota may experience applications to abandon more railroad branch lines as time goes by.

North Dakota is an agrarian State. In 1974 our farmers produced 17,956,736,000 pounds of various types of grain, plus 2,295 million pounds of potatoes, and 3,194 million pounds of sugar beets for a total of 23,216,532,000 pounds of produce valued at $1,672,837,000.

Potatoes and sugar beets move directly from the farm to the market. Based on 40,000 pounds per truckload, this means that in 1974 there were 137,225 individual loaded movements by trucks. Grain moves initially from the farm to 630 country elevators distributed throughout the State. The railroads do not handle this portion of the movement. Based on an average loading of 20,000 pounds in the typical farm truck, there were, in 1974, 897,836 individual loads of grain into country elevators. The total number of loaded trucks that moved North Dakota products in 1974 was 1,033,600 to initial markets only. Attached is a list of the 630 country elevators licensed by the North Dakota Public Service Commission in 1974. Those grain elevators are located on railroad tracks throughout North Dakota. A modern road system should exist to provide our farmers with access to their country elevator markets.

From the county elevator the grain moves to destinations in neighboring States. In 1974 the 630 North Dakota elevators made 236,077 shipments of grain to other markets. Of this amount, 48 percent, or 114,136 shipments moved by truck,

There were 1,147,736 loaded truck movements in 1974 on only three of the agricultural commodities produced in North Dakota.

The cost of transporting these huge volumes of grain is borne by the farmer, and the price he pays for transportation is an important item in his cost of operation.

Competition plays a strong role in our market system. Our railroad freight rate structure, from the time North Dakota became a State, has tended to be higher than it should be. With the advent of a modern road system, railroads have experienced truck competition. That truck competition has been a competitive factor which has helped North Dakota to get a more fair cost based rail freight rate. We are not satisfied yet with all of our railroad freight rates, but let me reiterate the need for a modern road system as a competitive factor.

North Dakota has 106,247 miles of road. Mileage is broken down as follows: Interstate highway, 579 miles; city streets, 2,951 miles; State highway, 6,935 miles; county road, 17,841 miles; and township roads, 77,968 miles.

These roads are not only necessary to move farm produce into primary and secondary markets, but also to bring into the rural area all of the goods necessary in daily living. Our railroads have ceased providing less than carload service. This small shipment service is now provided by truck. Much of the material that formerly moved by rail now moves by truck.

Just about all of these goods, such as groceries, clothing, farm machinery, hardware, and other supplies necessary for quality of life, come from origins outside the State of North Dakota.

During 1974 interstate motor carriers with the authority to use North Dakota roads logged 29,047 miles to, from and through the State of North Dakota.

All produce moving from the farms in North Dakota must move by truck to the market and most of this is seasonal so speed is of vital importance. The market price fluctuates at such a pace that our farmers are entirely dependent on effective and efficient modern transportation service.

North Dakota has 289 firms or individuals who are authorized by the public service commission to transport agricultural products from farms to markets. In 1974, these firms operated 503 trucks to consummate this business. In addition to this number, North Dakota has an additional 75 firms operating 285 trucks to transport farm commodities from the primary market to a secondary market either in intrastate or interstate commerce.

In order to transport farm machinery, equipment or freight of all descriptions within the State of North Dakota, we have registered with the commission an additional 199 firms operating 1,217 trucks. These individuals are common or contract carriers operating in intrastate commerce.

North Dakota depends almost completely upon other States to provide us with the necessities of life so, once again, the trucking industry, along with the railroads, must be relied on to provide this most needed service. At the present time, North Dakota has 1,034 registered interstate carriers doing business in this State, and they have registered 69,427 trucks which may or may not travel upon our highways. These figures do not include the large number of private carriers who are not regulated because they haul their own commodities.

North Dakota has 22 buslines operating on an irregular route basis and 17 lines operating on a regular route basis. In addition to passengers, these buslines move express and freight on a limited basis. Their service is usually quick and efficient as express and freight usually arrives overnight, or on 1-day service. It is most needed during the harvest season for farmers should they be in need of vital parts for their machinery.

North Dakota has a total of 694 authorized carriers to transport persons or property in intrastate commerce who operate 4,063 units over our road system.

North Dakota is a State with immense energy resources. We have already experienced substantial development within North Dakota of our energy resources. For example, in 1974, over 7 million tons of coal were mined. Projections are that by 1980, to furnish coal for projected electric powerplants, we will have to mine close to 18 million tons a year. If coal gasification plants become a reality, then the lignite mining will experience a dramatic expansion. It is estimated that at least 10 million tons of lignite per year will be needed for any gasification plant.

North Dakota has five electric powerplants located in rural areas. Rural roads providing access to such locations are used primarily by employees. However, any plant construction preceeding the operation of such a facility involves higher traffic levels on rural roads, again primarily because of construction employees and construction equipment. In addition to travel related directly to employment at these plants, there is, of course, incidental travel in rural areas for personal and recreational purposes because of the presence of these additional employees in the general area. There are presently three electric powerplants under construction in our rural areas—the Minnkota Plant at Center, the Basin Electric Cooperative Plant at Stanton, and the United Power Association-Central Power Association Plant at Underwood. In addition, Montana-Dakota Utilities Co., in a cooperative venture, is proposing an electric powerplant southwest of Beulah, and Basin Electric Cooperative is proposing a powerplant north of Beulah. This north Beulah location will also be the site of a Michigan-Wisconsin coal gasification plant. In addition, there is at least one other coal gasification plant under consideration which would be located, as I understand it, in the Dunn Center area. Needless to say, rural roads in these new construction areas, if the plants are authorized, will see a lot of heavy use, particularly during the construction period and, to a lesser degree, during the operations of these plants.

Rural roads are a very essential part of telephone and electric utilities operations in the State of North Dakota. These utilities for the most part, tend to build their lines parallel to such roads and use these roads constantly in their everyday maintenance and operating activities. There is no question that poor roads generally tend to add to costs of operation, whereas good roads undoubtedly reduce costs. This is reflected in the level of maintenance and replacement of vehicles as well as in the time and corresponding labor costs which relate to the difference that good roads versus poor roads made in accomplishing work on lines located in the rural areas.

Rural roads, although not an essential part of our railroad operations, do present a special problem to the railroads and the motoring

public in rural areas because of the many crossings that such roads make over railroad tracks. In North Dakota, rural roads cross railroads at approximately 5,000 points. The general condition of these roads and crossings does present a safety hazard, particularly to the motoring public and, to a degree, to the railroad. There are many dangerous crossings in rural areas that very possibly could be improved through the expenditures of money for improving the sight distance through grading, or by the installation of additional signs and/or signals.

No State today can be part of a modern system of commerce without an up-to-date transportation system. The daily work of the North Dakota Public Service Commission constantly reminds us of the need to have a continual program to modernize and maintain our road system. Our immense agricultural factor requires a thoroughly modern road system.

Roads are important in terms of energy conservation. It is believed that for short hauls, trucks are less fuel intensive than railroads.

For all of the foregoing reasons, we respectfully request the Public Works Subcommittee on Transportation to recommend to the full Committee, that adequate funding of roads capable of transporting agricultural goods from farms and ranches, to railhead and markets be given a high priority. This will benefit both the farmer and the consumer.

Thank you for giving the public service commission this opportunity to present its testimony.

Senator RANDOLPH. Mr. Hagen, you have introduced for the first time in the hearing today the availability of huge deposits of coal of one type or another for use in power generating plants. The Federal Energy Administration within the last 2 weeks has ordered 70 electric generating plants to change from either petroleum or gas to coal. Already there's some resistence to that, as you can understand. But this follows the action of the Congress in June of 1974 and it is the first implementation we have had of the intent of Congress. I think since you have mentioned the availability of coal, we should not overlook this matter as we are faced with problems of the importation of petroleum products from abroad. We want to remember that here we have coal in 4 times the amount of energy that can be produced from all of the oil in the Middle East. We have it, and we must use it. We have the where-with-all to make high-sulphur coal usable from the standpoint of environmental protection. Scrubbers that are being developed, and we have had a breakthrough in Philadelphia utilities picture where they are moving into coal. I just hope that we do more than we have done in relationship to the use of coal, Mr. Chairman. Coal, not only of the East, but certainly coal of the West, in other sections of our country.

I want to go back to an earlier discussion. One of the gentlemen representing the North Dakota Chapter of Associated General Contractors made certain comments, and I want to add that the number of highway contracts declined last year by 7 percent. Although the dollar amount increased by 12 percent. Now, that's, of course, inflation rampaging. So what we're really doing is much less than what we were doing in 1964. I think we must keep in mind the fact we're just trying to keep current if we can rather than falling behind, which we're really doing.

I thank you, Mr. Chairman. Very interesting comments; and the jurisdiction of your commission is very broad, isn't it?

Mr. HAGEN. Yes, it is. I just named several of the areas, but I think we probably have more jurisdiction overall than any State, regulatory commission. We didn't ask for reclamation, incidently, but legislature gave it to us—doing the best job we can with it—only release, had 4 reclaims since 1969. We have between, well, I'd say about 6,533 acres, roughly, today that has been mined since our law went into effect. I feel that the Federal Government should have a surface mining law.

Senator RANDOLPH. Thank you.

Senator BURDICK. Thank you. The next witness is the Hon. George Longmire, State Senator from Grand Forks. Welcome to the committee, Senator.

STATEMENT OF HON. GEORGE LONGMIRE, STATE SENATOR, STATE OF NORTH DAKOTA

Mr. LONGMIRE. Mr. Chairman and Senator Randolph, first of all, Senator Burdick, I want to join with the others in thanking you for arranging this hearing, and you, Senator Randolph for coming here. Coming from the same part of the country that you are from, I know of the esteem of the people of your fine State have for you. Now, with your coming up here in this short recess that you have to listen to our problems, I think the people of this area are just going to have just as high esteem for you because we know you have got many things back home to do and so forth, and we deeply appreciate your taking the time to come out here.

Senator RANDOLPH. I am very appreciative, of course, to work with you in the matter of this kind. I must be very frank, however. You know when Quentin expected me to be here, well of course, I had to come.

Mr. LONGMIRE. The Senator has a way of getting his way. He and I used to be in court occasionally together.

Senator RANDOLPH. Talking about being in court; impanelling was under consideration, this man said, "I can't serve on the jury. I look at that man and I already know he's guilty". The judge said, "Lower your voice just a little. You're pointing at the district attorney."

Mr. LONGMIRE. Being a prosecuting attorney for awhile, I almost had that happen to me. But, Senator Burdick, I was asked to deliver to you a personal message from the committee that gave you the highest award of the alumni association of the University of North Dakota. Thursday night they said they'd forgot to tell you there was a slight condition in that award, but for me to let you know now. They said if you took full care of Highway 2, they wouldn't consider taking it back.

Senator RANDOLPH. Was the Senator a football player?

Mr. LONGMIRE. He was a football player at the University of Minnesota. One of the best. We almost beat him once from North Dakota.

Senator RANDOLPH. Trying to have the record built up here on nonpolitical basis. I served with his Dad in the House. He was a football player, too.

Senator BURDICK. As long as you are on this subject, now, why don't you tell these people that you were a great coach. Throw those posies around. A team in North Dakota—when was that?

Senator RANDOLPH. But we lost. You know, it really pays to laugh a little; it really does. That's one problem we have, to realize it will really help us once in awhile to have a little laughter.

Mr. LONGMIRE. Yes. Well, gentlemen, I think the group here is enjoying the conversation, anecdotes, more than what I have to say. I'd be glad to yield any time.

I wrote out what I thought was a very fine speech and may send it to you. Earlier made a part of the record. I am not going to read that speech. I'm just going to paraphrase it a little bit, because at this stage of the proceedings, anything I would say would be repetitious anyway. I don't know whether that would be an advantage or a disadvantage. Probably would be an advantage for me because I could say I was going to say some of these fine things that were already said here. And I wasn't going to say them all, but I did try to point out that as far as the State of North Dakota is concerned, we have always had an aggressive highway program. As you know, very well, Senator Burdick, we have had a balanced highway program. We have headed the Nation, of course, pretty much so in completing our Inter-State System, completed—it's about 95 percent completed now. What we're anxious to do here, Senator, is to have some of that money available to get on our other road system, our primary systems, and our secondary systems, our county secondary and so forth. We—I pointed out what we had done in the last 5 years, the money that has been appropriated to our highway department. I want to say that we have on both sides of the aisle, we have complete confidence in our highway department here in this State. We think they have done an excellent job with the funding that they have had, and in all the 20 years that I have been in the State Senate, we have never once lost a dollar of Federal match money because we didn't provide the State money. And so we intend to keep on doing that, and I am sure if there is additional money made available through the release of these funds that have been impounded, that we will match every dollar of it in the State to continue the good highway program that we have.

We did do quite a bit in our last legislature to help our highway department. As indicated by the Commissioner, we took out of funding, our highway patrol out of dedicated funds that the highway department had. We also transferred into that drivers license money that had been going to our general fund. And so that will mean that we will have something over $6 million additional money for the roads rather than for the general fund of our State.

In addition, the North Dakota Legislature has given much more flexibility to our highway department. We have given them more flexibility in truck plants and impounds that were allowable on our State highways and in the regulations we put, showing again that we have complete confidence in their judgment, and this would go along, of course, with our recommendation of having more flexibility in the Federal regulations as you mentioned earlier, Senator, because if you have good people, certainly they're in a better position to know what should be done, to develop a good highway system. And we, in our legislature, have given them quite a bit of free hand in doing that.

From the traffic-safety standpoint, we're happy to report that we represent a decrease of fatalities in the State of North Dakota. That's the highest, I believe, in the Nation; if not, it's close to it.

We had a decrease of 23 percent during the year 1974, and it looks like at this time we are ahead of 1975. A lot of that has been due to the fine traffic safety program that our State highway department has given us in the past few years in the State legislature. Last time, we did—we passed the 55-mile-an-hour regulation, Senator. And we agree with you 100 percent. There's some of the people in the opposition, of course, party, that don't comply with it, but the legislature does, or did put in the regulation. And, of course, even before that, as soon as Congress had passed this regulation—get some of the Montana fellows over here. Used to driving a little faster and they don't always stay within the 55-mile limit, but it's a law in the State of North Dakota. We also, of course, have complied with the Federal thinking on this. We put into effect, or passed a vehicle inspection law at the last session and we put in another death statute which was recommended again by our highway department. Also a revision of the rules of the road law that have given us a lot of trouble here in the State of North Dakota.

Just a word or two on the U.S. Highway No. 2 situation. You have heard emphasized, of course, and certainly by the military, of the importance of this as a main highway all the way across the State of North Dakota. This is not true with just North Dakota. It comes in from Wisconsin, Minnesota, and on into Montana. And I know, Senator, I was in Washington as a young FBI agent when you and many leaders there were setting up this Interstate transportation system, and you emphasized at that time the importance of this from the national defense standpoint. Now, while we lack I–94 across Senator Burdick's Cass—no; call it imperial Cass down there, like it coming in down that way. Unfortunately, Highway No. 2 is the area where all of these defense installations are located, across the State, and, of course, in Montana, too, and one in Minnesota. So Highway No. 2 goes right by the Grand Forks Air Base, the Minot Air Base, and Great Falls Air Base. And then, of course, as you know, we have the only ABM site in the country, and that's just north of Highway No. 2. Then we have our Minuteman missile systems south of Highway No. 2 in the east, and I guess south, and maybe some north.

We want to emphasize in our end of the State, and I am from the eastern part of Grand Forks, of the importance of this from the national defense standpoint because in the two-lane highway we have now across the State and in the spring when the thaw comes, you break a lot of shock absorbers when you cross it, and it's a two-lane road. It's curvy and our traffic fatalities on this highway and other U.S. highways is about 4 times greater than it is on the interstate road, which we have. So from the standpoint of safety alone, from the standpoint of the national defense of all of these installations, if we needed this road in a hurry, we'd have a problem, and it would be serious. So we are very interested all—well, all over the State. In fact, we—I introduced a resolution in our State senate. It passed unanimously, urging the expediting work on this highway. I want to say, too, that we did pass in our senate about the time you passed in the U.S. Senate a resolution urging the President to release the—more of these impounded funds. I think it had an effect because about 2 days

later, there came out in the press something that the President had done just that. And I am sure he heard that we passed this resolution and got busy down there along with the urging that you gentlemen gave him.

Anyway, we are deeply grateful for the work that you have always done in this connection in the highway system of our country, in particular through this particular area. So I guess what I am trying to say here, at this—speaking on behalf of myself and the North Dakota State Senate, that we are very much interested in emphasizing the need for our not only completing our primary system and primary U.S. 2, but, of course, all of our other highways throughout the State. I think it's interesting to note that on this Highway 2, alone, that 60 percent of all grain hauled by truck goes over that highway. In fact, much more than over the Interstate 94. I think it's also interesting to note that the traffic on U.S. Highway 2, even though it's just a two-lane highway, is 60 percent of what it is on the interstate highway.

So for all of these and many other reasons that have been given here today, we deeply appreciate the consideration that you gentlemen and your committees will give in hastening the construction, better construction, of Highway 2 and all the rural road systems of this area.

Senator BURDICK. Senator, I want to thank you for an excellent job. You have made it almost an air-tight case for Highway No. 2. Of course, I am constrained to correct statements you made. You referred to me as living on Highway No. 94 and imperial Cass. I want you to know my beginnings, my early years, were spent on Highway 2 in Williston, so I have a balanced position.

Mr. LONGMIRE. I want to apologize to you for putting you down with those fellows in Cass County.

Senator RANDOLPH. Senator, you have talked more about this Highway 2 than most witnesses today. Although it has been a matter to which witnesses have addressed themselves, let's take a moment at this point in the proceedings. The problem is money, as you can recognize. Now, what is the anticipated cost of the construction?

Mr. LONGMIRE. I think I can answer that in general terms. I believe a four-lane highway across the State from the Minnesota border to the Montana border would cost about $95 million. Now, we don't expect to build that next year. We hope it would be built within 25 years from now. Some of us are getting so old we wouldn't be able to use it.

Senator RANDOLPH. We have a priority primary program now that could be used to upgrade a road such as Highway 2. I'm trying to come to grips with the dollar figures and see how long it would take to do this job. Let's break it down now for a moment. How much would be available in Federal funds for priority primary highways in North Dakota?

Mr. YAGO.[1] For fiscal year 1976, North Dakota is apportioned $2.3 million for priority primary highways. There are $9.1 million for the regular primary system, and $5.2 million for secondary roads.

Senator RANDOLPH. Given me the total for the three categories. About $16 million?

Mr. YAGO. $16.2 million.

Senator RANDOLPH. What about bonding provisions here in North Dakota? We passed bond issues in our State to enable us to go forward.

[1] John Yago, Assistant Chief Clerk, Senate Public Works Committee.

Those have been considerable amounts of money, but our people realize that there must be that local contribution if we're to do the job. You can understand that in the terrain we have it is very costly to build roads of every type.

Mr. LONGMIRE. Right.

Senator RANDOLPH. We don't have the level land that you have, and yet you have other problems such as the weather. But do you think your State legislative body could pass a bond issue with a certain amount of money over a certain number of years that would be committed to Highway 2?

Mr. LONGMIRE. Senator, I think we can finance it without a bond issue. We're one of the few States in the Nation that owes not a dime on bond issues. We just appropriated $17 million last session to pay off our Vietnam bonus bonds. We haven't got them all in yet, but we feel we can easily do this and match any Federal money available without a bond issue.

Now, if we have to increase our road taxes some to do that, I am sure our legislature would go along on it. And we did pass a resolution at the last session of our legislature urging the highway commissioner to set up a 10-year program for constructing a 4-lane highway from the east to the west border of our State, Highway 2, so I think that with our present road tax money funding that we have, we anticipate we'll have $70 million surplus in our general fund at the end of the biennium, second biennium ending in 1977. So we are in a little better shape than most States out here financially. We don't owe a dime. We're in the black and we did increase considerably our appropriations last time, so in short, the answer would be I think we could easily fund a matching program if the Federal money were made available to construct or to do this Highway in 10 years, if not sooner.

Senator RANDOLPH. I think it's going to come down partially to the choice of the people in North Dakota as to priority. I don't know how many of the people would raise opposition if they felt that a large percentage of the Federal money coming to the State was to be put on Highway 2. Maybe your State would unite on this.

Mr. LONGMIRE. No. We don't. Even those of us who live on Highway 2 and use its services, the whole northern half of the State which is the majority of the population of our State, who are very enthusiastic about developing this. We won't anticipate taking more than a fair share from the other road systems. We all know how important it is to have a rural road system and secondary road system, but we do feel that U.S. Highway 2 has been for 25 years a kind of a stepchild and not very much money has been spent on that because we have emphasized primary roads in other sections of the State. And we have emphasized the farm-to-market roads. Now, we think that the time—and I think this is generally true throughout the State—that the time has arrived when we need to emphasize the next few years, U.S. Highway 2 because of its importance to our whole State operation, so I guess what I am trying to say is that we don't want to take it all, but we want to take more and apply more to this road than we have in the past.

Senator RANDOLPH. I will make this final comment. There are 350 miles of road there to be built. Is that right?

Mr. LONGMIRE. Well, that's the amount of the road now. See, some work has been done around the air bases and we have two-lane system across now, but it's in bad shape, so we wouldn't have to complete 350 miles. Part of it is already done. Somebody whispered behind me and said 310 miles.

Senator RANDOLPH. Senator Longmire, if Highway No. 2 is to be constructed, could it be constructed solely with State money, without getting Federal funds?

Mr. LONGMIRE. No; I don't believe it could. But certainly could construct it with the matching money of Federal money that has been available.

Senator RANDOLPH. I anticipated that answer, and that is perhaps the most compelling reason that the highway trust fund be continued. We are not thinking of interstates, we're thinking of roads like Highway No. 2 and others of that category. It's valid that you build expression of support for continuance of the highway trust fund. You must remember, Senator, there's opposition to continuing the highway trust fund. The trouble is that people think that the trust fund is used only on interstates. And that isn't true. It can be used on primary, secondary, and urban roads, rail crossings, and other highway projects. But there is in the public mind, fostered by certain people, I am sure well intentioned, that this is only interstate money. Trust fund money is going to help you build Highway No. 2, and if we stop it, you are going to be in trouble.

Mr. LONGMIRE. I agree with you 100 percent. Thank you very much, gentlemen.

[Senator Longmire's prepared remarks follow:]

REMARKS OF STATE SENATOR GEORGE LONGMIRE

Being a rural state, the people of North Dakota through their elected and appointed representatives have always demanded an aggressive highway construction and maintenance program. The Constitution of the state provides for a dedicated highway fund. North Dakota has never lost a dollar of federal highway matching funds made available for it because of failure to provide state funds for matching on our 6,935 miles of the state system.

Highway construction lettings for the past five years are as follows:

1970	$42, 400, 000
1971	33, 194, 000
1972	41, 320, 000
1973	36, 318, 000
1974	45, 242, 093

A breakdown of the 1974 lettings were as follows:

Interstate	$15, 257, 719. 83
Primary	13, 263, 638. 77
Secondary	8, 274, 240. 98
State aid projects	783, 472. 87
County secondary	6, 557, 855. 47
Miscellaneous	105, 165. 42

There is a similar breakdown ratio for the other four years. It will be noted that this is a well balanced program for all road classifications.

INTERSTATE

An additional 7.2 miles of Interstate 29 was completed and opened to traffic in 1974. Plans in 1975 call for opening 27 miles of Interstate 29 and completion of the entire Interstate in North Dakota is expected in 1977.

PRIMARY

Continued progress is being made on the Primary System where 10 miles were graded, 26 miles graded and surfaced, and new surface was added to 200 miles, by contract, in 1974.

STATE SECONDARY

In 1974 contracts were completed on 44 miles of grading and on 140 miles of surfacing.

Contract lettings in 1975 will increase our Interstate and Primary programs with very substantial increases in the Secondary and Urban programs.

COUNTY FEDERAL-AID SECONDARY

The County Federal-aid Secondary construction program in 1974 included the completion of 62 miles of grading, 114 miles of bituminous surfacing and 4 major structures. A number of additional projects were proposed and are being developed under the Title II Safety Program. The contract on two structures were awarded under the Bridge Replacement Program.

BRIDGE

The Bridge Division won two awards for structures in 1974. One award was a fourth place national award through the James Lincoln Arc Welding Foundation for a bridge on the Red River. The American Institute of Steel Construction gave an Award of Merit for the Durbin Interchange on Interstate 29.

MAINTENANCE

For fiscal year 1974 our total field maintenance costs were $8,740,933, compared to $8,257,792 for fiscal year 1973, or an increase of 5.8 percent. These costs do not include any equipment or building capitalization.

We let contracts for the last of our maintenance sections which did not have buildings. We have 70 maintenance sections in the State; with the completion of this contract, all that are to have them will have buildings.

ADMINISTRATION

We think we have one of the best highway commissioners and one of the best chief engineers in the United States. We think they can make a dollar go farther for road construction and maintenance than their counterparts anywhere. One good example of this is our interstate system. I–94 is completed from the Minnesota border to the Montana border. A substantial part of I–29 from the South Dakota border to the Canadian border has been completed. As previously stated, we expect to have the entire interstate system in the state completed in 1977. We think this will put us toward the top of the states in having completed this important phase of our interstate system.

The legislators on both sides of the aisle have complete confidence in our Commissioner and his staff. We know they will continue to spend the road dollar wisely. As an example of this, the last session of the Legislature transferred the financing of the Highway Patrol to the general fund of the state making available $4.3 million additional funds to the highway fund, and, further, transferred the drivers license funds to the highway fund making $1.3 million additional funds to the highway fund, for a total additional funding of $5.6 million.

In addition, the North Dakota Legislature has changed its overdimension and axle weight law. The Highway Commissioner may, on designated highways, authorize vehicle widths not to exceed 102 inches and single axle gross weight of 20,000 pounds, tandem axles not to exceed 34,000 pounds, with registered gross weight not to exceed 80,000 pounds on the Interstate. On designated highways, the allowable gross weight would be determined by the bridge formula and tire size. Length limitations on five-axle combinations have been increased to 65 feet.

A new central testing laboratory of approximately 20,000 sq. ft., all on one floor, is nearing completion in Bismarck.

The North Dakota State Highway Department is not a Department of Transportation, but more and more functions are being assigned to the Department. The Governor has designated the Department as the agency to be responsible for mass transit functions. The Legislature has passed legislation allowing the Department to receive and administer Federal funds for mass transit.

The Action Plan was implemented in 1974, resulting in some functional changes and reassignment of responsibility. To achieve the systematic interdisciplinary input an Identification and Review Team was developed. The team is composed of individuals with expertise in disciplines which are encountered most frequently in our state during highway planning and project development.

TRAFFIC SAFETY

Our Highway Department is continually mindful of traffic safety.

North Dakota's Traffic Safety Programs Division established within the State Highway Department is responsible to implement effective highway safety countermeasures designed to reduce traffic accidents, fatalities and personal injuries. (North Dakota in 1974 had a fatality rate of 3.5 per 100 million vehicle miles of travel. The national average was 3.6.)

For calendar year 1974, North Dakota experienced 160 traffic fatalities. This figure represents a decrease of 23% as compared to the national average of 17%.

Significant traffic safety legislation passed at the 1975 session of our Legislature included, among other things, a vehicle inspection law, a tire tread depth statute, a revision of the rules of the road statute, and a 55 mile speed limit statute.

U.S. HIGHWAY NO. 2

Others appearing before the Committee will be emphasizing the neglect of Highway 2, which runs across our state from east to west and across the northern part of our country. They will be emphasizing what this highway means to agriculture, tourism and trade, national defense, and other factors. Let me just comment very briefly on one or two of these factors.

In a time of national emergency, Highway 2 would become a bottleneck with the tremendous number of military installations that include three of the most major Air Force Bases in the United States, in Minot, Grand Forks, and Great Falls, just ninety miles south of Highway 2, countless ABM, minuteman, and radar sites in constant need of service and at least four other military installations stretching on Highway 2 from the west border of Montana to the east border of Minnesota.

It is indeed ironic that the new U.S. Interstate system was intended to be a vital defense highway system and yet in the upper midwest practically every major military installation from east Wisconsin to west Montana is on Highway 2 rather than on I–94. Highway 2, a highway so neglected that in Montana and North Dakota it is essentially as it was after World War 2, at times so narrow in North Dakota and Montana that oncoming transport trucks with their high speed air turbulence cause even passenger cars to go to the soft shoulders to avoid loss of control or even collision. Highway 2, a highway that if a national emergency would occur during the spring thaw would break up so rapidly under heavy equipment use that it would be reduced to a pot-holed cow trail. Last spring, for example, under normal winter thaw and usage even with load restrictions the breakups were a constant harrassment to users of Highway 2.

The potential demand for a good Highway 2 is demonstrated by the fact that despite its deplorable condition, Highway 2 still has a high traffic density—agricultural, recreational, and commercial. Today, Highway 2 carries 60 percent of the traffic load of I–94. Approximately 60 percent of the grain grown in the state and trucked to market travels on this highway.

U.S. Highway 2 is a highway that is unsafe—a menace—the highway fatality rate is four times greater on the U.S. highways in North Dakota than on the interstates in North Dakota.[1] Its condition denies a major land mass in Midwest America with free flowing interstate traffic. Triple A will not route Highway 2 and major interstate shippers and bus lines cannot use it or will not use it because of safety and seasonal load restrictions.

In short, now that our interstate system in North Dakota is nearing completion, we would urge this Committee to give top priority to the release of interstate highway funds for the purpose of constructing a four-lane U.S. highway across the state. That such funds available for Wisconsin, Minnesota, and Montana also be released for the improvement of this important national highway through those states. From both the civilian and national defense standpoint, the need is now—not 25 years from now.

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[1] North Dakota Accident Facts—N. Dak. Highway Dept.

Senator BURDICK. Our next witness is Ernest J. Hanson, president of Communities for Modern U.S. 2.

STATEMENT OF E. J. HANSON, PRESIDENT, COMMUNITIES FOR A MODERN U.S. 2

Mr. HANSON. May it please the committee:

We, of Communities for a Modern U.S. 2, are most happy that you have accorded to us the opportunity to visit with you briefly on our interest in the improvement of U.S. Highway 2 across northern Dakota. We have handed to the committee a full report of our interest in this highway, which it is hoped you will analyze when you have the opportunity to do so. Included with this material are certain resolutions and statements which we would like incorporated in this record.

For our presentation before you today, we would like to dwell a little on the general aspects of the improvement of rural transportation and relate this question to our particular interest in Highway No. 2.

The general impact of legislation in the new 1975 Transportation Act can be not only crucial, but long term and all-encompassing in its resultant achievements. It can, we believe, be a highly effective tool meeting the needs of our rural areas and will have an impact on our general national welfare. It presents an opportunity to directly and/or indirectly implement measures that will have a positive effect on: (1) national highway safety; (2) energy conservation; (3) population stability in rural areas; (4) mass transportation; and (5) international commerce.

Briefly, the conclusions given in this testimony are based on the two attached reports and we will for purposes of brevity refer to their conclusions rather than the supportive statistics available in these reports.

The impact of the new Interstate Highway System on America has been far reaching and all encompassing. Further, its impact on other highways in the United States is impressive.

One: Experience gained from the new Interstate Highways has given ample comparative statistical evidence to show that good safe highways can be a bulwark against population instability in rural areas. To wit—In North Dakota those population centers on the Interstate Highways, other things being equal, have demonstrated positive population stability after the completion of the new Interstate System in North Dakota.

Some of the reasons for this growth along the Interstates are:

One: More traffic to support service businesses—the bulk of rural urban commerce.

Two: Greater safety which encouraged the freer movement of goods, services, and people.

Three: More tourist visitations to rural recreation areas and more promotability for newly accessible areas.

Four: More effective commercial arteries for rural production and industries.

The side effects of the new Interstate System bring us to the crux of the present dilemma and the needs of rural transportation as it manifests itself in primary and secondary rural road systems.

One: The new Interstate Highways brought new standards for effective highways with greater safety and serviceability and in turn forced obsolescence on existent noninterstate highways.

Two: The favorable 90/10 exclusive matching ratio brought emphasis to construction of the Interstates and conversely caused an understandable neglect for the 50/50 matching fund construction available to other highways.

These, in turn, had secondary ramifications that included:

One: Motor vehicle operators, seeking safer routes, avoided whenever possible the unsafe routes even though they were more direct, and selected in lieu thereof circuitous routes which were more safe and less restrictive. This is dramatically demonstrated by the National Safety Council statistics which attributes a substantial portion of highway fatality reduction to the more careful selection of safer highways by users. Of course, the more indirect routing causes more energy usage and less traffic for the cities on the less desirable, but more direct routes. Agricultural and manufactured commodities from areas with the poor highways suffered additional transportation costs when truckers sought safer, more serviceable, more circuitous routes. The result was less commerce for small cities and the consequent greater use of energy to get their products to market, all of which tended to inflate consumer costs.

Poor rural highways will inhibit the specialized mass transit needed for sparsely populated rural areas. For North Dakota, this must center on highways rather than on subways or airways for a proper cost/benefit justification of this type of transportation.

These were natural, unpredictable results of getting the highly important Interstate System. Our contention is that the time is now to correct this imbalance with a new flexible transportation act that will allow greater discretion at State levels, within limitations deemed prudent, for wise expenditure in the national interest.

We, therefore, commend to the committee the following recommendation for this new and important legislation:

One: That categorical funding be limited to three general classifications: (a) urban, (b) rural primary, and (c) rural secondary.

Two: We recommend a national standard of four-lane limited access highways for rural primary highways using existent rights-of-way for natural resource conservation purposes. We recommend Federal standardized two lanes for rural secondary highways.

Three: That new rural primary highway funding include special provision for the continued designation of priority, primary highways for purposes of expedited construction on a 90/10 basis where such federally approved designations are indicated. Traffic fatalities and usage, general present condition of a given highway, the demands made upon that highway by Federal agencies, such as the military especially in emergency situations, are all valid and important criteria for such highway designations.

Four: That the Federal funding of these highway improvements be a minimum of one-half of 1 percent of the funding allocation to all States, since good highways in rural areas serve a greater national interest than just the accommodation of traffic. In North Dakota, for example, agricultural products moving to the Nation's marketplaces, and international commerce, are some of the other justifications for this minimum funding for all States.

In conclusion, this new legislation could have as much positive impact on America as the act that created the Interstate Highway System. We submit that just as the Interstate System is needed so is a good effective and safe rural highway system.

Senator BURDICK. Well, thank you very much. Did you say 80 percent of the Durum of North Dakota goes out by truck? Is that the figure?

Mr. HANSON. Senator, the North Dakota Commission has reported to it from all the elevators in North Dakota the movement of grain out of elevators. Reported in two categories via rail and via truck, and designation is known in either instance, and all of the truck movement reported to the North Dakota Commission, movement of Durum, for instance, to Duluth-Superior, 93 percent of that truck movement reported comes from an area that is on or contiguous to Highway 2. That doesn't mean 90 percent of all the Durum goes to Duluth. Again, truck Durum is trucked to Duluth, 93 percent comes from northern North Dakota; probably simple reason that is where the Durum is raised.

Senator BURDICK. What I am trying to get at is why the greater portion of this grain is trucked rather than by rail. Is there a reason?

Mr. HANSON. The portion of grain that is trucked will vary from time to time. Two years ago there was a tremendous amount of trucking and the railroads reduced their rates on grain 25 percent, and saw a decline in trucking and an increase in rail movement. The reason it's trucked could be various. Sometimes, like when the railroads were so high, truck would be cheaper or just as cheaply as you can ship by rail. You made that choice. Again, you run into boxcar shortages. You have no way to move it, so you start thinking of trucking. Those are the principal two costs of shipping availability of items.

Senator BURDICK. You have made a rather striking observation. Senator from the great State of West Virginia, we poll Highway 94, which you call the defense—or defense installations up on Highway 2, and that——

Senator RANDOLPH. Hold me responsible?

Senator BURDICK. Kind of inconsistent, isn't it?

Senator RANDOLPH. I think so.

Senator BURDICK. Your two bases, missile ABM, all on the northern tier, and I think we have to look at this not only as North Dakota highway, think we have to look at the regional highway, wouldn't you agree?

Mr. HANSON. We have had, as I understand, a designation of priority, primary designation to Highway 2 in the States of Michigan, Wisconsin, Minnesota, North Dakota, but not yet in Montana. I understand all they did—they did pass a resolution in legislation this winter urging an expediation of improvement of Highway 2. I might ask Senator Randolph, if I may, do you know whether or not the priority, primary system will be continued in 1975 Highway Act, or going to just make it priority, have any thought on that?

Senator RANDOLPH. No; I wouldn't. I think it will be involved in the consolidation effort we're facing. Go back to routes 94 and 2 for a moment. There is no mileage available from the 42,500 miles of the Interstate System, but I do want to go back. Why was Route 2 not

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the interstate road that was built instead of I–94 here in North Dakota? That wasn't decided in Washington, D.C.

Senator BURDICK. Was there some consideration about the connections with Montana and Minnesota also?

Mr. HANSON. Could be. The State capitol is Bismarck——

VOICE. That's the reason.

Senator RANDOLPH. I can understand. There were circumstances that seemed valid.

Mr. HANSON. Yes. And I suppose between Minneapolis and Seattle, I suppose it's more direct than old Highway 10 which became I–94, than Highway 2.

Senator BURDICK. We have had this problem since the dawn of North Dakota history. We have had the N.P. Railroad developed in the southern half, the Great Northern Railway in the northern half. Northern Pacific develops, find that mining people going in the southern part of the State, the Great Northern developed and found the Scandinavian people generally speaking.

Mr. HANSON. Two transcontinental railroads and highways built along them.

Senator RANDOLPH. Mr. Hanson, I have thought about this, even before the testimony was given. I had an opportunity to look at some of the points that had been made. I think it's going to take very creative thinking, resourceful thinking, to find a way to do this with increased costs of road construction and the amounts of Federal funds that are available. I don't want to seem to suggest what North Dakota should do. That would not be my prerogative. But I have a feeling you're going to have to supply some more money if this road is going to be completed within a certain number of years. You agree with that?

Mr. HANSON. Well, yes. I agree with, of course, all matters of money. Well, I believe that possibly Senator Longmire answered that question as well as I can, because he's in a position where he would be able to know more details of what the State can and cannot do than I, because being chairman of appropriations committee, North Dakota Senate, I think he's in a position to know. Obviously, I think we certainly here in North Dakota and Highway 2 group, which is a fairly cohesive group, comprising the northern—at least the northern third, maybe half of the State of North Dakota, we're going to continue to seek some solution to the problem, and I think our highway commissioner and I think the State government generally, problably may be somewhat responsive to this, at least we hope so, to the point where we get some accentuation of the work on this. We have high hopes, of course, of getting some added assistance from somewhere.

Senator BURDICK. We have been checking on some dates here. I believe the major development on the military areas, at least the missile systems and ABM and the rest of them came after the commitment to Highway 94.

Mr. HANSON. The Interstate Highway System was conceived about 1954 or 1955, wasn't it?

Senator RANDOLPH. 1956.

Mr. HANSON. Well, I was quite active at Grand Forks at the time when trying to locate these air bases in North Dakota, and I remember going to Washington a number of times, 1954 and 1955, and it was decided the air bases would be located where they are, and it was

about that, I suppose, that the plans had already crystalized pretty well on the layout of the Interstate System of the United States, and certainly the conversion to the antiballistic systems, missile systems and the missiles of North Dakota, in the 1960's so that would be after the Interstate System was already partially constructed.

Senator BURDICK. What I am saying is, had those facts been present, might have been a different location than the Interstate is. It's a possibility.

Mr. HANSON. Well, I don't know. If we have to dwell on it very long, I would agree with you on it, of course, that's true.

Senator BURDICK. Probably would be in the same place, I can't tell.

Mr. LONGMIRE. Maybe I can throw a little bit more light on that with your indulgence. The original idea for these two air bases, at least, would be located, would have been on Interstate 94 or the Highway 10 as it was at that time. And, however, we in the Grand Forks area, and I am sure that people here in the Minot area, really wanted these air bases, and we went out and showed that. In fact, in Grand Forks we went out and raised money up and down the streets of contributions, privately, to pay for part of the sign where the Grand Forks Air Base is now. It didn't mean much as far as total cost of that Air Base, but I think it showed the Air Force and the people in Washington that we were making the decision as to the sanction that the people in that area wanted the Air Base and took that into consideration when we were willing to go out and raise money for it.

I don't think Fargo, where it was originally considered indicated that much interest; and I am sure that Minot indicated a lot more interest than Bismarck did in getting the Air Base here. And, of course, we're very proud that we do have them. It's a very wonderful set up for us.

Going back to your previous question, Senator, about what the State is willing to do. I am sure that we would be willing to match any Federal moneys that would be available, plus doing some on our own, but if we had to do it all on State funds, we would have to take too much money away from our other rural highways, and we wouldn't want to do that. But I am sure you will find if, say, the money that was now available are—had been available for the Inter-State System would continue to come in and could use that for the primary system, we could get this job done, if that continues.

Senator RANDOLPH. Senator Burdick and Senator Longmire, Mr. Hanson, I think the record should reflect that we have had informal discussions on ways in which funds in the future could be provided. I hope it's some solace to you to know that there is active consideration, because you are making a good case here today on Highway 2. I have known about it prior to this hearing. But there is going to have to be some flexibility in funding in the future if you are to receive enough Federal dollars to meet the needs of all sections of North Dakota, including Highway 2. So it's a very real challenge to us in the Congress and certainly it's an obligation that all of you accept here in North Dakota.

Mr. LONGMIRE. We do, Senator, and I think your comments are very well taken.

Senator BURDICK. Thank you very much, Mr. Hanson.

Mr. HANSON. Thank you very much.

[Mr. Hanson's statement with attachments follow:]

WRITTEN TESTIMONY

Communities for a Modern U.S. 2
E. J. Hanson, President

Senate Public Works Committee
Minot, ND
April 19, 1975

May it please the Honorable Members of the Committee:

My name is E. J. Hanson. I am the President of a North Dakota organization entitled Communities for a Modern U. S. 2. This is a volunteer organization comprised of interested persons and communities in North Dakota who are vitally interested in rebuilding and improving U.S. Highway 2 so as to bring it up to modern standards. Our program envisions the four-laneing of this highway across North Dakota in the next 10 years.

At the present time a few miles of this 358 mile U.S. highway between Grand Forks, ND and the Montana line are four-laned. This four laneing occurs in bypasses around cities and about 15 miles west of Grand Forks to the Grand Forks Air Force Base.

The construction programs of the North Dakota Highway Department for this summer contemplate four-laneing between Leeds and Rugby, a distance slightly under 30 miles. Other projects are in the planning stage.

The North Dakota Highway Department has done a commendable job in the past 10 to 15 years in upgrading primary and U.S.highways in North Dakota. One of the greatest works was the completion of I-94 across North Dakota between Fargo and Beach, ND, a distance of about 350 miles. I-94 is, of course, a four lane, controlled access interstate highway.

During this period of time, some rebuilding has been done on U.S. Highway 2, but most of the work has been of the maintenance type. The result of this has been a general deterioration. For the most part, we have a narrow two lane highway, with no surfacing on the shoulders of the road, sharp turns, and conditions that have been

conducive to accidents and congestion.

The people along U.S. Highway 2, and contiguous communities have therefore united in this organization for the purpose of doing something about bringing this highway up to modern standards.

We are attaching to this statement an exhibit which will show the pertinent statistics to which we will refer.

However, let us consider some of the facts as we see them. I think we can proceed from the assumption that the growth and development of areas is dependent upon the transportation facilities available for the movement of goods and people. A major highway is an excellent illustration of this.

Between 1950 and 1960, when the major east-west routes across North Dakota were U.S. Highway 10 between Fargo and Beach, and U.S. Highway 2 between Grand Forks and Williston, the population of North Dakota increased 2.1%.

Between 1950 and 1960, the nine counties along U.S. 10 grew 12% in population, and the nine counties along U.S. 2 grew 14%.

By 1970, North Dakota had a 5% drop in civilian population. Between 1960 and 1970, the nine counties along I-94 (which replaced U.S. 10) increased 4.5% in population, whereas the nine counties along U.S. 2 had a 5.5% decrease.

Between 1950 and 1960, of the 11 counties in North Dakota that showed population growth in excess of 5%, 5 of them were on U.S. 10 and 5 on U.S. 2. However, with the completion of I-94, as I have stated, this growth changed. It would appear to us that population growth, and with that business growth, certainly seems to be directly related to highway development.

The same thing has been occurring in Montana. Between 1950 and 1960, 10 counties on U. S. 2, and 14 counties on U.S. 10, had a growth of as high as 20%. This occurred when the population of Montana increased 14%.

Between 1960 and 1970, when the population of Montana increased 3%, the 10 counties on U. S. 2 lost 1.5%, whereas the 14 counties on I-94 gained 13%.

By traffic counts, by 1970, the traffic at West Fargo on I-94 showed an increase in traffic of 120%, and in western North Dakota at New Salem, the increase was shown to be 110%.

On U. S. 2, in 1970, the traffic count at Rugby showed an increase of 23% over 1960. This in spite of the fact that in this interval of time, 24,000 people had been added to the airbases at Grand Forks and Minot.

Now a word about safety. Although U.S. 2 carries 60% of the traffic on I-94, of 10 deaths on these highways, 3 of them would occur on I-94, and 7 of them on U.S. 2. In the publication entitled "Accident Facts" released by the North Dakota Highway Department for the year 1973, there is shown that 14 persons were killed on Interstate Roads in North Dakota, and 57 killed on U.S. Numbered Routes, and 251 injured on the Interstates, and 512 injured on U.S. routes. Stated another way, 19.7% of those killed were on the Interstate Routes, and 80.3% were killed on U.S. routes, and 32% injured on the Interstates, and 67.2% on U.S. Routes.

But, aside from the safety factor and a mere desire for a better road, I think we must also consider the economic aspects of a Modern U.S. 2, not only in the light of our own needs, but the economic benefits to the nation. Let us first talk about the output of agricultural products, which we have and which the nation needs.

Attached hereto are appendices which will show the following: We have taken the 9 crop reporting districts in North Dakota and assigned to the north half of the state production that could move out via truck over all or some portion of U. S. 2, and the south half of the state which could move grain out via truck via all or some portion of I-94. Please note the following:

Production 1972	All Wheat	Durm	Barley
Bushels US 2 area	140,422,100	55,389,250	68,829,250
Bushels I-94 area	76,395,900	10,103,750	36,435,250
U.S. 2 area %	64.7%	84.5%	65.7%

The Upper Great Plains Transportation Institute, which is located at the State University at Fargo has made a study of the trucking of grain out of North Dakota. Their figures are based on elevator reports to the North Dakota Public Service Commission. Again, we have assigned the trucking from the north half of the state to a possible U.S. 2 movement, and the south half of the state to a possible I-94 movement.

Of the 51,288,000 bushels of All Wheat trucked out of North Dakota in 1972, 33,878,000 bushels were trucked out of the U.S. 2 area, or 66.0%.

Of All Wheat trucked to Duluth-Superior, 15,060,000 bushels or 73.2% originated in the U.S. 2 area.

Of All Wheat trucked to Minneapolis-St. Paul, 6,449,000 bushels or 41.8% was trucked out of the U.S. 2 area.

Of Durum Wheat trucked to Duluth-Superior out of the U.S. 2 area, 11,452,000 bushels or 92.7% was trucked out of the U.S. 2 area, and to the Minneapolis-St. Paul market, 927,000 bushels or 60.3% was trucked out of the U.S. 2 area.

With regard to truck shipments of barley, to Duluth-Superior, 7,618,000 bushels or 77.4% was trucked out of the U.S. 2 area. To Minneapolis-St. Paul, 1,114,000 bushels of barley, or 62.8% was trucked out of the U.S. 2 area.

The above demonstrates the fact that 65% of the production of All Wheat, 85% of the production of durum, and 66% of the production of barley occurs in areas that could or would use U.S. 2 for truck outlets. The trucking figures show that the amount of trucking from these areas nearly follows the percentages of production in the area.

We see the same type of a situation on grain in Montana. I have assigned all of the production of the Northeast District and the North Central District, one-third of the Central District, and the counties on U.S. 2 in northwest Montana, to potential traffic for U.S. 2. Of the 98,831,000 bushels of All Wheat produced in Montana, 76,708,000 bushels or 77.6% is grown in the area contiguous to U.S. 2. Of the 64,013,000 bushels of barley produced in Montana, 52,491,567 bushels or 82% was grown in the U.S. 2 area.

The only trucking figures on grain I was able to get was in connection with All Wheat. These figures show that of the 2,586,000 bushels trucked east out of Montana, 1,325,900 bushels or 51.2% moved from the U.S. 2 area. Of the 14,974,000 bushels trucked west out of Montana, 9,736,000 bushels or 65% was from the U.S. 2 area.

To summarize, this tremendous production and storage area of grain in Northern North Dakota and Montana, is served by U.S. Highway 2. Of this production, a large amount moves out via truck to markets. This would certainly show the great need for a substantial improvement in U.S. 2 such as is contemplated by Communities for a Modern U.S. 2.

There are other aspects to this problem. I think the time has come for our country to think in terms of improving the work situation and the desire of our people to develop the more sparsely populated areas of the country. Good roads are a needed complement of this. Cafes, motels, retail stores, service stations, dealers in farm implements, fertilizer, grain elevators, and a long list of other businesses are tied to a good highway. Such businesses seek to locate on good highways and will provide a holding area for our youth.

There are numerous recreation areas along U.S. 2 which should have easy and ready access to the traveling public. Some of these are the Lake Sakakawea Recreation area, the International Peace Garden, Old Fort Totten at Devils Lake, Old Fort Buford near Williston, Highway 2 as a connecting route to the Alcan Highway, U.S. 2 as a route to Glacier National Park, and the desire to encourage the use of U.S. 2 as a transcontinental route by Canadians. Neither must we forget that U.S. 2 is in effect a military highway in that it connects the Air Bases at Minot, Grand Forks, and Great Falls, Montana. It also serves hundreds of missile sites in connection with the bases at Grand Forks and Minot, and is a route that must be used in servicing the ABM sites near Nekoma, North Dakota.

At present, North Dakota has designated 208 miles of U.S. 2 in North Dakota as a priority, primary road system. This has also been done in Michigan, Wisconsin, and Minnesota. We have a resolution from the North Dakota Legislature urging the improvement of U.S. 2, and such a resolution was passed by the Montana Legislature.

We urge the Senate Public Works Committee to give serious consideration to lending its support to the expedited development of this important trade and tourist route across northern United States.

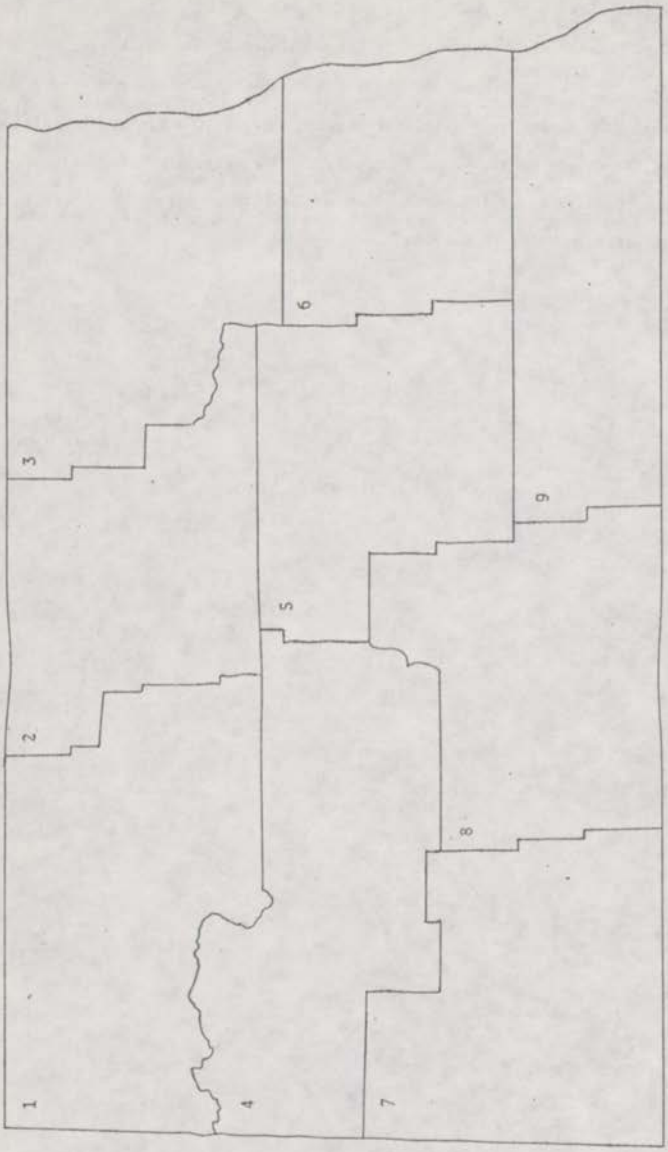
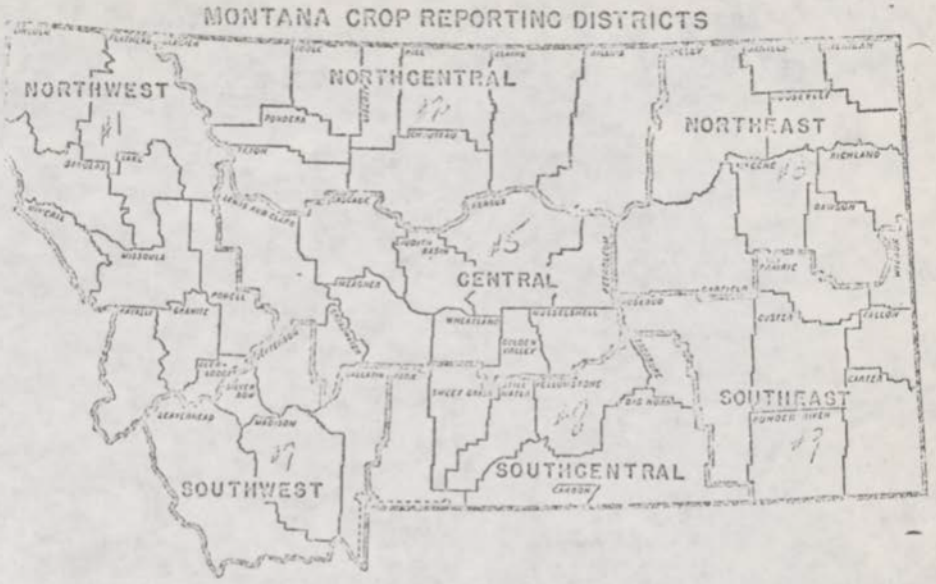


Figure 1. North Dakota Crop Reporting Districts.

MONTANA CROP REPORTING DISTRICTS



1972 NORTH DAKOTA PRODUCTION OF XXX WHEAT (Bu.)(ND USDA Crop Statistics)

All Wheat

		Bushels	1/2 Dist. 4,5,6
Crop Reporting District No.	1	37,820,300	
	2	24,381,300	
	3	45,237,600	
	4	18,379,400	9,189,700
	5	23,336,000	11,668,000
	6	24,250,400	12,125,200
	7	17,147,300	
	8	10,541,400	
	9	15,724,300	
		216,818,000	
Total available for movement via U.S. 2			140,422,100
Total " " " " I-94			76,395,900
% available for Hwy. 2 movement			64.7%

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Durum

Crop Reporting District No.	1	17,673,300	
	2	14,373,300	
	3	17,369,600	
	4	4,806,500	2,403,250
	5	5,893,700	2,946,850
	6	1,245,900	622,950
	7	1,458,300	
	8	736,300	
	9	1,936,100	
		65,493,000	
Total available for movement via U.S. 2			55,389,250
" via I-94			10,103,750
% available for Hwy. 2 movement			84.5%

*****

Barley

Crop Reporting District No.	1	8,101,500	
	2	11,906,500	
	3	30,407,500	
	4	4,348,000	2,174,000
	5	10,132,000	5,066,000
	6	21,178,500	10,589,250
	7	5,241,000	
	8	3,245,000	
	9	10,120,000	
		104,680,000	
Total available for movement via U.S. 2			68,829,250
Total I-94			36,435,250
% available for Hwy. 2 movement			65.7%

ALL WHEAT SHIPPED BY TRUCK TO ALL DESTINATIONS (1971-72)(Bushels)

		Bushels	1/2 Dist. 4,5,6
Crop Reporting District No.	1	8,857,000	
	2	6,178,000	
	3	13,301,000	
	4	3,719,000	1,860,000
	5	3,441,000	1,720,000
	6	3,924,000	1,962,000
	7	5,715,000	
	8	3,474,000	
	9	2,679,000	
		51,288,000	
Total available for movement via U.S. 2			33,878,000
Total		I-94	17,410,000
% avilable for Hwy. 2 movement			66.0%

*****

ALL WHEAT SHIPPED BY TRUCK

		To: Duluth-Superior		To: Mpls.-St.Paul	
		Bushels	½ 4,5,6	Bushels	½4,5,6
Crop Reporting District No.	1	3,026,000		2,674,000	
	2	2,286,000		566,000	
	3	6,895,000		1,655,000	
	4	1,392,000	691,000	1,442,000	721,000
	5	1,184,000	592,000	1,369,000	685,000
	6	3,139,000	1,570,000	295,000	148,000
	7	1,468,000		3,566,000	
	8	815,000		2,035,000	
	9	359,000		1,799,000	
		20,554,000		15,401,000	
Total available for U.S. 2		15,060,000		6,449,000	
Total available for I-94		5,495,000		8,954,000	
% available for U.S. 2		73.2%		41.8%	

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DURUM WHEAT SHIPPED BY TRUCK

		To: Duluth-Superior		To: Mpls.-St. Paul	
		Bushels	½ 4,5,6	Bushels	½ 4,5,6
Crop Reporting District No.	1	3,647,000		193,000	
	2	3,134,000		136,000	
	3	4,319,000		325,000	
	4	353,000	177,000	377,000	189,000
	5	581,000	290,000	128,000	64,000
	6	170,000	85,000	40,000	20,000
	7	176,000		98,000	
	8	13,000		28,000	
	9	154,000		211,000	
		12,347,000		1,536,000	
Total available for U.S. 2		11,452,000		927,000	
Total available for I-94		895,000		610,000	
% available for U.S. 2		92.7%		60.3%	

BARLEY SHIPPED BY TRUCK

	To: Duluth-Superior		To: Mpls.-St.Paul	
	Bushels	÷ 4,5,6	Bushels	÷ 4,5,6
Crop Reporting Dist. No. 1	156,000		13,000	
2	495,000		85,000	
3	5,094,000		486,000	
4	54,000	27,000	10,000	5,000
5	294,000	147,000	162,000	81,000
6	3,398,000	1,699,000	888,000	444,000
7	24,000		19,000	
8	9,000		20,000	
9	312,000		89,000	
	9,836,000		1,772,000	
Total available for U.S. 2	7,618,000		1,114,000	
Total available for I-94	2,218,000		658,000	
% available for U.S. 2	77.4%		62.8%	

PRODUCTION, ALL WHEAT, MONTANA 1972 (stated in bushels)

All of Northeast District		36,516,700
All of North Central		35,677,500
1/3 of Central		3,300,000
Northwest District:		
Lincoln County	15,000	
Flathead County	840,800	
Sanders County	74,200	
Lake County	283,800	1,213,800 -- 80.8% of Northwest Prod.
Total		76,708,000
Total Prod. All Wheat Montana		98,831,000
% available for movement via US 2		77.6%

*****

TRUCKING OF WHEAT FROM MONTANA: (Stated in bushels)

From:	East	West
All of Northeast District	1,304,000	1,190,000
All of North Central	15,000	6,641,000
1/3 of Central	5,300	781,000
80.8% of Trucking from Northwest	1,600	1,115,000
Total	1,325,900	9,736,000
Total wheat trucked from Montana	2,586,000	14,974,000
% trucked from U. S. 2 area	51.2%	65.0%

*****

PRODUCTION, BARLEY, MONTANA 1972 (stated in bushels)

All of Northeast District		13,928,900
All of North Central		31,980,000
1/3 of Central		4,642,967
Northwest District:		
Lincoln County		3,000
Flathead County		1,514,100
Sanders County		88,400
Lake County		334,200
Total		52,491,567
Total Prod. Barley, Montana		64,013,000
% available for movement via US 2		82.0%

Source: Montana Agricultural Statistics, USDA

Forty-fourth
Legislative Assembly
of North Dakota

SENATE CONCURRENT RESOLUTION
No. 4039

Introduced by

Senators Longmire,

Walsh, Wenstrom

			AYE	NAY
Assigned To Committee On:				
SENATE _____				
HOUSE		PAGE		
Committee Report		S. J. H. J.		
SENATE ☐ DO PASS ☐ DO/POST ☐ AMEND				
HOUSE ☐ DO PASS ☐ DO/POST ☐ AMEND				
Legislative Action on Amendments				
SENATE ☐ ADOPTED ☐ NOT ADOPTED				
HOUSE ☐ ADOPTED ☐ NOT ADOPTED				
2nd Reading and Final Passage				
SENATE ☐ PASS ☐ FAIL				
HOUSE ☐ PASS ☐ FAIL				

A concurrent resolution urging Congress to refuse to concur in the President's request for permission to withhold highway funds from the State of North Dakota.

WHEREAS, U.S. Highway No. 2 serves the heart of the grain-producing areas of North Dakota and is the major highway for the shipment of grain to the eastern markets such as Duluth, Minnesota; and

WHEREAS, U.S. Highway No. 2 connects the two major military bases at Grand Forks and Minot, North Dakota; and

WHEREAS, U.S. Highways have a substantially higher traffic accident rate than do interstate highways; and

WHEREAS, U.S. Highway No. 2 needs to be converted into a four-lane highway meeting expressway standards to further the movement of commerce and people within the State of North Dakota, as well as to reduce traffic accidents; and

WHEREAS, the United States Office of Management and Budget is currently withholding some twenty-two million dollars in federal highway funds from North Dakota, which have been authorized by the Congress, and such funds are urgently needed to improve U.S. Highway No. 2;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

That the Forty-fourth Legislative Assembly urges the

Congress to refuse to concur in the President's request to continue to withhold federal highway funds from the several states; and

BE IT FURTHER RESOLVED, that the Forty-fourth Legislative Assembly urges Congress to include provisions in the forthcoming 1975 Federal Aid Highway Act which permits states to use allocated funds exceeding the cost of completing the Interstate system for use on primary systems; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Director of the Office of Management and Budget, and to the members of the North Dakota Congressional Delegation.

HOUSE JOINT RESOLUTION NO. 99

INTRODUCED BY Felsbrecht, Anderson, Underdal, Johnson, Ellerd, Bertelsen, Burkhardt, Bardanouve, Berthelson, Bertsch, Johnson

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE MONTANA HIGHWAY DEPARTMENT TO DESIGNATE AREAS OF U.S. HIGHWAY 2 THAT QUALIFY AS "PRIORITY PRIMARY" HIGHWAY AS OUTLINED IN THE 1973 FEDERAL HIGHWAY ACT.

WHEREAS, highways are one of the most important factors in a community's economic and urban viability in Montana; and

WHEREAS, counties along U.S. Highway 2 are major contributors to the agricultural wealth of Montana; and

WHEREAS, the marketing of these products is dependent on rail service because of poor highway conditions; and

WHEREAS, "Priority Primary" designation could help increase tourism along U.S. Highway 2; and

WHEREAS, in a time of national emergency U.S. Highway 2 could become a bottleneck with the tremendous amount of military installations along the route.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Montana Highway Department is requested to

designate eligible sections of U.S. Highway 2 as "Priority Primary" as outlined in the 1973 Federal Highway Act.

-End-



P.O. Box 940
Minot, North Dakota 58701

RESOLUTION

At a meeting of the Directors of COMMUNITIES FOR A MODERN U. S. 2 Association, held at Minot, North Dakota on March 6, 1974, the following was resolved:

1. That the Communities for a Modern U.S. 2 Association is a voluntary non-profit organization whose membership is comprised of communities located on and contiguous to U. S. Highway No. 2,

2. That such communities are concerned about the state of neglect of the improvement of U. S. Highway 2, which is the northern most transcontinental highway in the United States connecting major tourist, agricultural, military, and manufacturing centers,

3. That the traffic traversing U. S. Highway No. 2 in North Dakota is at least 60% of the traffic traversing Interstate Highway I-94, and,

4. That the North Dakota State Highway Department, as well as the State Highway Departments of Minnesota, Michigan, and Wisconsin have designated U. S. Highway No. 2 as a priority primary highway, and,

5.That there is presently pending in the United States Congress legislation to fund the Priority Primary road systems of the nation, and,

6. That highway construction has been confronted with steeply increased costs of construction, and,

7. That if the development of the Priority Primary system is to be advanced, it will be necessary that adequate funding be provided for this purpose.

NOW THEREFORE BE IT RESOLVED, that the Communities for a Modern U. S. 2 most respectfully petition members of the Public Works Committees of the Senate and House of Representatives to do everything in their power to insure support for the Priority Primary system and its adequate funding.

Dated at Minot, North Dakota, this 6th day of March, 1974.

Wes Keller, President
Minot, North Dakota

James Maragos, Secretary
Minot, North Dakota

Ken Leigh, Director
Williston, North Dakota

Paul Lange, Director
Devils Lake, North Dakota

Lloyd Nelson, Director
Stanley, North Dakota

E. J. Hanson, Director
Grand Forks, North Dakota

RESOLUTION

The Board of Directors of the Communities for an Improved US 2, at a meeting at Minot, North Dakota, on February 26, 1975 adopted the following Resolution:

WHEREAS, Communities for an Improved US 2 is a voluntary, non-profit organization comprised of members from communities on or contiguous to US Highway 2 in North Dakota, and,

WHEREAS, this organization and its members are most vitally concerned with the four-laning and improvement of US Highway 2 across North Dakota, and,

WHEREAS, US Highway 2 has been allowed to deteriorate during the last ten years while mileages on the Interstate System in North Dakota have been constructed, and,

WHEREAS, US Highway 2 is today in need of substantial improvements, and,

WHEREAS, US Highway 2 has today a high incidence of highway casualties, caused by its narrow width, and,

WHEREAS, the traffic on US Highway 2 is 60% of the traffic on Interstate Highway I-94, and,

WHEREAS, approximately two-thirds of the truck grain traffic from North to Duluth, Minnesota, and the Twin Cities, Minnesota today moves from grain producing territories adjacent to US Highway 2, and,

WHEREAS, it now appears that nearly all of the construction on the Interstate System in North Dakota has been completed, and,

WHEREAS, North Dakota has been receiving not less than one-half of one percent of the total apportionment for the Interstate System, and,

WHEREAS, there is a likelihood that with the completion of the Interstate System in North Dakota, there may be an inclination to reduce the North Dakota portion of the funds for the Interstate System, and,

WHEREAS, while the Interstate System was being constructed, heavy diversion of North Dakota highway funds along with inadequate Federal funding away from other highway construction in North Dakota occurred, especially on US Highway 2, and,

WHEREAS, there remains a great deal of catching up to be done in bringing North Dakota's other major east-west highway up to acceptable standards, namely, US Highway 2, and,

WHEREAS, there remains an urgent critical need for the continuance of the Interstate System funds for North Dakota, and,

WHEREAS, greater latitude is needed in the allocation of these funds, and,

WHEREAS, in the past the Federal Highway Acts have specifically earmarked funds for specific purposes, and,

WHEREAS, it is most vital that the provision contained in the 1973 Act that "no state shall receive less than one-half of one percentum of the total apportionment for the Interstate System" be continued in the proposed Federal Aid Highway Act of 1975.

WHEREAS, 208 miles of US Highway 2 has been designated on the Priority Primary System, and,

WHEREAS, the two major air defense establishments of the United States containing two minuteman missile complexes and the one anti ballistic missile complex are located at Grand Forks and Minot, North Dakota, same being respectively on the east and the west ends of the designated priority primary system, and,

WHEREAS, it is most essential that this segment of highway be brought up to a four-lane expressway status, and,

WHEREAS, large sums of money are needed for this purpose.

NOW THEREFORE BE IT RESOLVED, that Communities for a Modern US 2 respectfully request that the proposed Federal Aid Highway Act of 1975 contain the following provisions:

> "no state shall receive less than one-half of one percentum of the total apportionment for the Interstate System. Whenever such amounts made available for the Interstate System exceed the cost of completing that states portion of the Interstate System, the state may use such amounts by transferring to and adding to the amounts apportioned to such state for its primary, secondary and urban systems. The allocation of these funds to the three systems will be discretionary with the state."

Resolved at Minot, North Dakota, this 26th day of February, 1975.

COMMUNITIES FOR A MODERN US 2

E. J. Hanson, President

Ken Leigh, Vice President

James Maragos, Sec., Treas.

RESOLUTION

The Board of Directors of the Communities for an Improved US 2, at a meeting at Minot, North Dakota, on February 26, 1975, adopted the following Resolution:

WHEREAS, Communities for an Improved US 2 is a voluntary, non-profit organization comprised of members from communities on or contiguous to US Highway 2 in North Dakota, and,

WHEREAS, this organization and its members are most vitally concerned with the four-laning and improvement of US Highway 2 across North Dakota, and,

WHEREAS, US Highway 2 has been allowed to deteriorate during the last ten years while mileages on the Interstate System in North Dakota have been constructed, and,

WHEREAS, US Highway 2 is today in need of substantial improvements, and,

WHEREAS, US Highway 2 has today a high incidence of highway casualties, caused by its narrow width, and,

WHEREAS, US Highway 2 has a high volume of traffic, being at least 60% of the traffic on Interstate Highway I-94, and,

WHEREAS, approximately two-thirds of the truck grain traffic from North Dakota to Duluth, Minnesota and the Twin Cities, Minnesota, today moves from grain producing territories adjacent to US Highway 2, and,

WHEREAS, the two major air defense establishments of the United States containing two minuteman missile complexes and the one anti ballistic missile complex are located at Grand Forks and Minot, North Dakota, the same being respectively on the east and the west ends of the designated priority primary system,

WHEREAS, Section 4(f) of the Department of Transportation Act provided in substance that a special effort should be made to preserve the natural beauty of the country side and public park and recreation lands, and wildlife and waterfowl refuges, and,

WHEREAS, the 1969 National Environment Policy Act provided that effects upon these lands must be considered in the Environmental Impact Statement, and,

WHEREAS, US Highway has for at least 50 years been located in the area of wetland, wildlife refuges and other areas within the consideration of an Environmental Impact Statement, and,

WHEREAS, US Highway is in need of widening and resurfacing, and,

WHEREAS, based upon experience on other projects, implementation of Section 4(f) provisions to the improvement of US Highway 2 would result in lengthy and intolerable delays, which the present condition of this highway will not allow and,

WHEREAS, the improvement of US Highway 2 will not result in an effect which would be detrimental to the environment,

NOW THEREFORE BE IT RESOLVED, that Communities for a Modern US 2, respectfully urge that Section 4(f) be amended to permit the Federal Highway Administrator more reasonable interpretation of the 4(f) provisions to the end that 4(f) areas are a normal consideration of the Environmental Impact Statement process, and to remove the lengthy and intolerable delays connected with the existing 4(f) processes.

Resolved at Minot, North Dakota this 26th day of February, 1975.

COMMUNITIES FOR AN IMPROVED US 2

E. J. Hanson, President

Ken Leigh, Vice President

James Maragos, Sec., Treas.

RESOLUTION

WHEREAS, GNDA, since its inception in 1925, has been a leading proponent of a modern system of roads and highways for the continued viability of the entire state; and

WHEREAS, GNDA, seeks to promote, foster and encourage economic and industrial development throughout North Dakota; and

WHEREAS, a system of modern roads and highways is essential to attracting new industry to an area as well as sustaining present economic viability; and

WHEREAS, the leading centers in the production of durum, spring wheat, and barley are serviced by U.S. Highway 2; and

WHEREAS, 135 million bushels of spring wheat (70% of state total), 70 million bushels of durum (84% of state total), and 53 million bushels of barley (68% of state total) shipped out of North Dakota in 1972-73 originated in counties serviced by U.S. Highway 2; and

WHEREAS, trucks represent an important component of the grain transportation system in North Dakota, for the movement of grain and livestock as well as farm inputs, construction material, consumer goods, and petroleum products; and

WHEREAS, the present deplorable condition of U.S. Highway 2 detracts from the competitive advantage to the Northern half of North Dakota; and

WHEREAS, the importance of the natural resources in Western North Dakota to meet the nation's energy needs; and

WHEREAS, the North Dakota State Highway Department has designated U.S. Highway 2 as a priority primary route;

NOW, THEREFORE, BE IT RESOLVED by the Greater North Dakota Association that the North Dakota State Legislature, the North Dakota State Highway Department, and the U.S. Congress be requested to jointly establish a 10 year schedule for completion of a four lane limited access U.S. Highway 2.

ATTEST: R. C. Crockett

R. C. Crockett, President



The Turtle Mountain Association

NORTH DAKOTA

Mr. Ernest J. Hanson
Grand Forks Chamber of Commerce
P.O.Box 1177
Grand Forks, North Dakota 58201

Dear Sir:

The Turtle Mountain Assoc. has resolved, unanimously, to support the resolutions set for by the Communities For A Modern U.S. Highway 2 on Dec. 19, 1974:

WHEREAS, the Turtle Mt. Area is largely dependent upon U.S.2 as their principle artery for visitor use of automobile (tourist as well as commerce) and trucks (Campers as well as commerce), for access and egress to and from other parts of the State of North Dakota and the nation in general, and

WHEREAS, being the prânciple east-west highway in the northern half of North Dakota, it is of necessity used by a large volume of trucks and vehicles for transportation of persons, farm products, human and animal necessity, and

WHEREAS, the obsolete and inequivalent present highway has fostered a general economic and population decline in the northern half of North Dakota.

Now, therefore be it resolved by the Turtle Mt. Assoc. that we support the resolutions of the Communities for a modern highway 2 to better highway #2.

We also feel a strong emphasis should be placed on the need for a safe trunk line East-West highway in our recreational area and if the highway situation is not improved it will be a great loss to our State as well as to the puplic interest.

Respectfully submitted,

Larry M. Bullinger

Larry M. Bullinger
Ex. Sec.
Turtle Mountain Assoc.
Bottineau, North Dakota
58318

"Promoting recreational development in the Turtle Mountain area"

THE FORGOTTEN HIGHWAY

Our purpose here is to discuss highways and population trends of our area--- North Dakota and the midwest region, and attempt to correlate these trends with statistics and developments. Why? Because historically cities are born on roads since commerce and people need services. And any change in highways has as a historical experience invariably affected in direct consequence the vitality of a city. Good roads still lead to Rome and Rome still lives. Not so, for forgotten Petra and countless cities whose misfortune it was to have their good roads abandon them. Thus, it is our contention that highways are the single most important factor in a communities economic and population viability. Not only does a population center need surface transportation, but it must be effective and in order to be effective, it must be equivalent, else traffic that would naturally use certain routes will select alternate routes if those routes are safer and more modern, even at the cost of more distance and less convenience. Further, effective surface transportation in the U.S. is lateral or east-west and for a good reason. The portion of our commerce that extends to and from international sources is dependent on our port cities on the coast. North-south traffic is valuable but historically only to the extent that it feeds us onto good east-west highways. This truth is further reflected in all of the development trends in our other transportation systems. There is very little north-south rail traffic. The majority is east-west. Airlines have a predominantly east-west trunk line system with north-south lines primarily feeder systems. Our interstate highway system is dominantly east-west as is our national traffic pattern.

(1)

Let us start our analysis by looking at population trends in North Dakota first, and then our midwest region during two ten year periods ending in 1960 and 1970 and correlating them with developments in highway facilities on the two major east-west routes--U.S. 2 in the north and U. S. 10--I 94 in the south. Our major information sources will be: "Recent Trends/Future Prospects, A Look at Upper Midwest Population Trends" by Neil Gustafson, Associate Director, Upper Midwest Council; "The 1972 Traffic Report" by the North Dakota Highway Department; and the "North Dakota Development Trends" by Bruce Bartsh, Director, North Dakota Business and Industrial Developments." Census figures in 1950 and 1960 are of civilian population only, and therefore, the 1970 figure in order to remain consistent for analysis purposes continues to exclude those military personnel and dependents residing within the confines of North Dakota's two military bases.

Another significant fact to keep in mind is that rural population has as a historical trend been moving to urban communities. This factor is reflected in a consistent thirty year trend of diminished population in counties whose character is generally rural and the slow to moderate trend of population increase in those counties with one of the eight major cities of either Fargo, Jamestown, Bismarck, and Dickinson in the south; and Grand Forks, Devils Lake, Minot, and Williston in the north.

This continued to be true in the 1970 census for the southern counties but not in the northern counties. Please note that henceforth, we will indicate those counties growing 5% or more in RED and those counties with loss in green. Of course, expanded institutions, state government, military installations, as well as development activities such as oil exploration and Corp of Engineers activities have impact. Just how comparatively significant this impact is on general population trends is one pursuit of this study.

North Dakota, during the ten year period ending in 1960, experienced a 2.1 percent growth. The nine counties, as a whole, on U. S. 10 grew 12 percent while

the nine counties on U. S. 2 grew fourteen percent. This pattern of almost equivalent growth on the two major east-west routes of Highway 2 and Highway 10 reflects almost a 30 year experience.

In 1970 North Dakota experienced a 5 percent drop in civilian population. The nine counties on the new I 94 in 1970, however, experienced a 4.5 percent increase while the nine counties along Highway 2 experienced a 5.5 percent decrease in population. In other words, while most economic factors in the south have remained generally consistent with regard to state capitol location, state colleges, air service, rail service, and while the state as a whole lost 5.0 percent of its civilian population,this area along the new I 94 experienced a 4.5 percent increase in civilian population and further contained the only three North Dakota counties in 1970 to register a 5 percent or greater growth. It is further significant, we believe, that the 1960 figures when transportation was equivalent on U. S. 10 and U. S. 2, five of the eleven counties experiencing growth in excess of 5 percent in North Dakota were on U. S. 2, and five were on U. S. 10. It is further significant that in 1970 Ward County had a 2 percent loss in civilian population and Grand Forks, had a comparatively insignificant 2% increase in civilian population in spite of the two new massive military installations with a period of significant civilian employment and also substantial defense construction in these areas of ABM and minuteman installations. Thus, the population trends in North Dakota seem to significantly correlate with East-West highway improvement. I 94 prevented loss and in fact encouraged population growth, while our state generally suffered population losses. And the unimproved Highway 2 left its counties with a greater than average loss in population. The lack of equalized highways further seems to have disrupted a thirty year experience of balanced population stability in the growth counties on our two major east-west routes. To wit: the south half of our state did not start population trends contrary to state experience until after I 94 was started and long after growth in state government and learning institutions along this particular Highway had started.

Further, the impact of military bases and related civilian jobs in themselves did not give a significant impetus to population growth in an area that lacked a modern East-West highway such as Ward County and Grand Forks County.

Consider also, that while Grand Forks was getting I-29, it had as we have said, no significant population growth-Cass while getting I-94 experienced 18% growth, indicating east-west traffic over north-south and new highways over military bases and learning institutions in impact on population trends. The comparative evidence also seems to verify a contention that state government and government projects more or less are only additional amenities to a communities economy. Consider and compare what we know of Bismarck as a state capitol and Pierre, Capitol of South Dakota, a state more comparable to North Dakota than any other state in the United States. Pierre's main surface transportation highway is the north-south U. S. 83, the same that goes through Bismarck. It has, however, no east-west interstate highway as Bismarck does. In addition, during the late 1950's and early 1960's, Pierre felt the impact of the giant Oahe Project and a general expansion in state government. Yet, its twenty years' population growth to 1970 is about four thousand people. Bismarck has grown twelve thousand in half that time.

Let us turn our attention to our upper midwest region of Montana, North Dakota, Minnesota, Wisconsin, and Michigan--states all served by Highway 2 and partially by I 94. As many of you recall, the U. S. four-lane system was started in the mid 1950's basically in large metropolitan areas. This was true of the area around Minneapolis and then between Minneapolis, Milwaukee, and Chicago. Then in 1960 under the Congressional leadership of Representative Blatnik of Minnesota, Wisconsin, Michigan, and Minnesota started planning and constructing improvements on U. S. 2 and other highways in their area. What then are the population trends of the counties along Highway 2 in Minnesota, Michigan, and Wisconsin, first, as they were confronted with superior transportation in the south and secondly, after

improvements on the highways in their areas in the late 60's. In the period ending in 1960, during the improvement of the highways to the south, of the fifteen counties on Highway 2 seven lost ten percent or more population. In the period ending in 1970, after the start and partial completion of four-lane, only two counties lost ten percent or more of their population. Let us contrast this to North Dakota and Montana to demonstrate not only the effect of anticipated four-lane or lack of it, but also the apparent effect of disorientation of natural traffic patterns by unilateral highway improvements on interstate routes. Of the twenty counties on Highway 2, for the period ending in 1960 when Highway 2 and U. S. 10 were equivalent, only three counties had population loss in excess of 5 percent. Of those same twenty counties on Highway 2 after the period ending in 1970 and after I 94 was completed, fourteen of the counties suffered population losses in excess of 5 percent. In Montana the 10 northern counties on Highway 2 in 1970, when Montana had a 3% population growth, lost 1.5% population, while the 14 counties on I 94 gained 13% population. Contrast this with 1960 when east-west routes in the north and the south were equivalent and Montana had a 14% state growth, these same two groups of counties both had a little more than 20% growth. One further point of interest, when both states had equivalent east-west highways in the north and the south as in 1960, the states as a whole gained population, in 1970 with inequivalent regional east-west highways both states as a whole suffered a radical change in population growth.

The question is, can we justify the cost? The answer to this question is given by what is fast becoming the number one crisis in America--the continued movement of our rural population into already agonized and bloated metropolitan areas. When one considers the billions, if not trillions, of dollars being demanded to help solve our metropolitan morass, it would seem the height of wisdom to attack the problem from both sides, give aid to the impacted cities and at the same time try to give stability to our rural population centers. Modern highways are not a panacea. The central thrust of the evidence, however, is that good east-west interstate traffic will foster a measure of population stability. The key is traffic--the hard

core of the service industry which is the hard core of commerce. These retail stores, gas stations, restaurants, and motels are doubly important to a small city's viability because they are the holding power and the training ground for the unskilled youth. This unskilled and unemployed youth is the first to go to the city and the loss of youth is the start of a small urban community stagnation, because small industry which might locate in rural urban areas need these two things: good strong youthful labor supply and good surface transportation. Do we, therefore, build according to the need created by traffic count only as in the past? Is it realistic to expect need to become apparent when alternate more modern highways will not only naturally, but by their safety and serviceability continue to siphon traffic off less convenient and more dangerous highways? By comparison, for example, of 100 traffic fatalities, equalized by traffic count, on I 94 and U. S. 2 in North Dakota, 70 percent would occur on Highway 2 and 30 percent on I 94. A new divided limited access Highway 2 will be custom tailored to the needs of our rural and agricultural economy.

1. It provides safety because it will be a divided highway.
2. Its intersection crossings will be on-grade crossings, the same as on regular and existing 2-lane highways thus facilitating the easy movement of agricultural equipment and products without unnecessary indirect routing and with greater safety.
3. It's economical to build; less than 1/4 the cost of interstate highway construction.
4. It will not require the wholesale condemnations of valuable farmland, because it will use existant right-of-way and roadbeds where-ever possible, and thus preserve our most valuable natural resource.

Let us now look at what happened to North Dakota traffic counts on I 94 and Highway 2 since the 1960 figures. (1) Whereas, West Fargo in the 10 year period ending 1960 showed a 10 percent increase in traffic, the Post I 94 1970 traffic count showed a 120 percent increase in traffic. And whereas, New Salem in the west had a 10 percent drop in traffic in the 10 year period ending 1960 traffic

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count, the Post I 94 1970 traffic count gave it a 110 percent increase in traffic. In the north, in spite of more than twenty-four thousand more military population, both in the east and west, traffic check points at Rugby and Foxholm have only shown a 23 percent increase in traffic in 10 years to 1970. In North Dakota, the impact from increased traffic is particularly significant. Recent surveys by the University of Utah show that visit or dollars, though relatively low in total dollar revenue, on a national comparison scale, place the value of the North Dakota visitor dollar seventeenth in the nation with regard to economic impact on state economy. Just conservative a ten year fifty percent increase, less than 1/2 the I 94 increase, in interstate traffic resulting from a modernized Highway 2 would result in 182,500 additional vehicles in northern North Dakota and using a national average of $50 per day expended per vehicle, could have a multi-million dollar impact on our annual income from visitations in our area and in turn, would produce a tremendous number of jobs especially in rural sparsely populated areas of our state. This same impact would be felt by all areas served from the Highway 2 and generally suffering from its poor and traffic inhibiting condition. It is our contention that this area served by Highway 2 and the Highway itself, is of the greatest potential and need for so many other reasons. (1) Highway 2 is an interstate highway that would extend from coast to coast, Bangor, Maine to Everett, Washington. (2) It connects cities in mid-America that are still very active that could with the help of a new highway, build urban viability in a low population area. (3) Highway 2 would connect the great grain producing areas of mid-America to the west coast and the Great Lake ports for international commerce in food--America's No. 1 ace in the hole.

Consider that in North Dakota, eight of its top ten, including the top five, wheat producing counties are served by Highway 2. And 95% of the durum wheat produced in the United States is produced in counties depending on Highway 2. Six of the top ten including the top three barley producing counties depend on Highway 2. (4) Highway 2 has a tremendous potential for answering America's increasing needs

for open space for recreational leisure activities, the huge Lake Sakakawea Recreation Area and the extraordinarily beautiful and developing International Peace Gardens Recreation Area; and to the west, the great frontier atmosphere of Fort Totten, Fort Buford, the national historic site of Fort Union culminates in Glacier National Park. (5) Highway 2 is the direct route to Canada and the great Alaskan Peninsula through the Al-Can Highway and north-south highways all across our northern border, that connect Canadian commerce with America. (7) A new Highway 2 will promote small industry that must have a good highway for moving its goods. (8) A new limited access Highway 2 will do more to get Canadian Tourism that the millions of dollars now being spent on advertising and promotions, since once again the new Highway 2 would be superior to anything in proximity in Canada. (9) It will also be beneficial because it will promote north-south traffic and thus help small cities on north-south routes to establish some stability. (10) Highway 2; a highway so neglected that in Montana and North Dakota it is essentially as it was after World War 2, at times so narrow in North Dakota and Montana that oncoming transport trucks with their high speed air turbulance cause even passenger cars to go to the soft shoulders to avoid loss of control or even collison. Highway 2, a highway that if a national emergency would occur during the spring with the tremendous number of military bases, radar sites, and missile complexes, would break up so rapidly under heavy equipment use that it would be reduced to a pot-holed cow trail. This spring, for example, under normal winter thaw and usage, even with load restrictions the breakups were a constant harrassment to users of Highway 2.

The potential demand for a good Highway 2 is further demonstrated by the fact that despite its deplorable condition, Highway 2 still has a high traffic density--agricultural, recreational, and commercial. Today, Highway 2 carries 60 percent of the load of I 94. (12) U. S. Highway 2 is a highway that is unsafe--a menace--the highway fatality rate is four times greater on the U. S. Highways in North Dakota than on the interstates in North Dakota. Its condition

denies a major land mass in Midwest America with free flowing interstate traffic. Triple A will not route Highway 2 and major interstate shippers and bus lines cannot use it or will not use it because of safety and seasonal load restrictions.

Just where is Highway 2 now? What has been done? What is now being done and what is planned for the future?

(1) Now a total of four states--Minnesota, North Dakota, Wisconsin, and Michigan have asked and received designation of priority, primary status for Highway 2. This means that special funds of this program designated for primary highways will go to Highway 2 and that as funds are released and are completed on the interstate highway system, these priority, primary highways will be the first in line for four-laning. (2) The administration has just released some of the impounding funding for this project, and work on a limited basis will now commence in North Dakota. (3) Minnesota is well along in completing four-laning of Highway 2 from its west border to the twin ports. (4) The North Dakota Highway 2 project is supported, not only by our highway department and its capable leadership under Walter Hjelle and by every community on this highway, but by communities not on Highway 2, but who depend on it for interstate commerce and who participate through our organization--Communities for a Modern U. S. Highway 2.

Now for some bad news. (1) Montana Highway Department has as yet not sought to give Highway 2 priority, primary status and this fact is a negative impact on our efforts to expedite our work on Highway 2. (2) The North Dakota Highway Department still has not changed its completion dates for Highway 2 until almost the year 2000. The result of this schedule would be devastating to the point of turning our area into a back-water--depressed and retarded economically and cause an even accelerated population decline. In the fall of 1973 at the Northland Transportation Symposium in Minot, the transportation committee discovered that highways in North Dakota according to Walter Hjelle, are built under the dictum "the squeaking wheel gets the grease." Apparently, Mr. Hjelle was saying that Highway 2 has not received the necessary support from its own people, in a word "no squeaking."

In August of this year, 30 state senators and representatives met with Walter Hjelle for an information and progress report on Highway 2.

We learned:

(1) Walter Hjelle at this meeting reiterated his committment to four-lane as fast as funds were made available and to push in view of the interest now being shown.

(2) The Highway Department could if funded accomplish this four-laning in 6 years.

The question now is WHAT CAN BE DONE.

We are taking this opportunity to make the following suggestion: State legislators from the northern half of the state, must demand action on the part of their state and national representation to set a ten year maximum goal for completion of Highway 2 four-laning, border to border. Every state legislator from the northern half should say to the Highway Department: "Very Good, but what have you got planned for Highway 2? Have you changed your deadlines? Have you programmed a ten year completion date? And they must pursue this ten year goal vehemently, sincerely, and successfully. Legislators must be totally sensitive about Highway 2.

For twenty years the tremendous revenues from the usage of Highway 2 in such things as gasoline tax, sales tax, and income tax has gone into building not only the North Dakota interstate system, but also a Highway 200 that is an all new modern two-lane going through one of the most sparsely populated areas of North Dakota, all this, at a cost of hundreds of millions of dollars and practically nothing on Highway 2. How can anyone justify discriminating against almost half of our states population and land mass with regard to its right to safety and economic opportunity. Why can't we build a highway whose equivalent condition will engender new traffic and new dollars and thus pay for itself in new revenues from gasoline sales, sales tax, and new personal income tax and at the same time make all of North Dakota viable from the standpoint of population and economy. And if it takes the kind of funding used on Highway 200, the legislators from our

area must demand that these funds be requested and specifically earmarked for Highway 2 and this in addition to the priority, prirary funding now being used, for all of this funding; will not even begin to match the North Dakota tax dollars spent on the interstate systems.

If it takes 6 years to complete a highway, then Minot to Williston must have every right to a standard two-lanes in 6 years and Grand Forks to Minot four-lanes in no more than six years. And a total of ten years is all this area of our state can sustain in order to salvage our economic health and vitality.

That is our resolution and that is our just right. We have been patient and sacrificed for other highways far beyond reason and now we must have immediate action------today not tomorrow and certainly not in the year 2000.

ENDORSEMENTS

1. HONORABLE MILTON R. YOUNG
   U.S. SENATOR - NORTH DAKOTA

2. HONORABLE QUENTIN N. BURDICK
   U.S. SENATOR - NORTH DAKOTA

3. HONORABLE MARK ANDREWS
   U.S. REPRESENTATIVE - NORTH DAKOTA

4. HONORABLE ARTHUR LINK
   GOVERNOR OF NORTH DAKOTA

5. GEORGE D. MILLER
   BRIG. GENERAL USAF
   COMMANDER, 57TH AIR DIVISION
   MINOT AIR FORCE BASE

6. MR. THEODORE O. GATES
   CRAVEN-HAGAN CLINIC
   WILLISTON, NORTH DAKOTA

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JAMES R. CALLOWAY, COUNSEL

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

January 25, 1974

VIA AIRMAIL

Mr. James G. Maragos
Secretary-Treasurer
Communities for a Modern U.S. 2
P. O. Box 940
Minot, North Dakota 58701

Dear Jim:

Thank you very much for your letter of January 17 concerning your interest in getting construction initiated on a limited access four-lane highway across North Dakota following the route of the present U.S. Highway 2.

Undoubtedly the Interstate Highway System will be expanded. U.S. Highway 2 is one of the more important routes left to be four-lane. I assure you, I will do everything I possibly can to be helpful.

May I offer this suggestion. If you haven't already contacted Senator Burdick you may want to do so. As you know, he is now a member of the Public Works Committee which writes the authorizing legislation for our highway system. I certainly would be happy to work with him in accomplishing your objective.

Thank you again for writing.

With warm personal regards,

Sincerely,

MILTON R. YOUNG

MRY:sdb

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JOHN N. HOLLOMAN III
CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, D.C. 20510

January 29, 1974

Mr. Wesley E. Keller
President
Communities for a Modern U. S. 2
P. O. Box 940
Minot, North Dakota 58701

Dear Mr. Keller:

I received a recent letter announcing the formation of an organization to foster the early construction of a 4 lane limited access highway following the route of U. S. Highway 2. You requested that you be kept informed of developments that would bear on this project. I can assure you that I will do so.

You are, of course, aware of both the possibilities and limitations of the provision in the Federal-Aid Highway Act of 1973 relating to priority primary routes. I would appreciate your informing me of any plans you may have to utilize this program.

With kind regards, I am

Sincerely,

Quentin N. Burdick

QNB:pej

2411 Rayburn Office Building
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Grand Forks, North Dakota 58201
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Minot, North Dakota 58701
(701) 839-5510

Congress of the United States
House of Representatives
Washington, D.C.

MARK ANDREWS
North Dakota

COMMITTEE ON APPROPRIATIONS

Subcommittees:
Agriculture, Environmental and Consumer Protection Agencies
State, Justice, Commerce, Judiciary and Related Agencies

January 24, 1974

Mr. James Maragos
Secretary/Treasurer
Communities for a Modern U. S. 2
P. O. Box 940
Minot, North Dakota 58701

Dear Friend:

Thank you very much for your recent letter along with the copy of your letter to Walt Hjello concerning your organization and its interest in continuing to promote the upgrading of Highway 2.

I am anxious to work with you on this.

You have my pledge for continued support. Please keep me advised of your activities and I, in turn, will continue to do all I can on this end in Washington.

Thank you again for your letter.

Best personal regards.

Sincerely,

MARK ANDREWS
Congressman for North Dakota

MA/ow

STATE OF NORTH DAKOTA
EXECUTIVE OFFICE
BISMARCK

ARTHUR A. LINK
Governor

January 18, 1974

Mr. James G. Maragos
Secretary-Treasurer
Communities for a Modern US-2
P.O. Box 940
Minot, North Dakota 58701

Dear Mr. Maragos:

Thank you for your letter on behalf of the development of Highway 2. I appreciate also receiving a copy of your letter to Commissioner Hjelle.

It appears to me that the communities of Highway 2 have an imaginative and dynamic organization working on their behalf.

With best regards,

Sincerely yours,

Arthur A. Link

ARTHUR A. LINK
Governor

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS 57TH AIR DIVISION (SAC)
MINOT AIR FORCE BASE, NORTH DAKOTA, 58705

APR 1 1975

Mr. S. L. "Bud" Olsen
Minot Chamber of Commerce
Minot, ND 58701

Dear Bud

U. S. Highway #2, as the primary land link between Minot AFB, ND, and Grand Forks, ND, is vital to me as the Commander of both bases. Personnel from both bases utilize this federal highway daily, and quite extensively, to operate, protect and maintain a significant portion of our nation's strategic nuclear capability.

Approximately 73 miles of U. S. #2 west of Minot, ND, and another 48 miles at Grand Forks, ND, are officially designated and used as Transporter-Erector (TE) routes. The TE, used to transport a complete minuteman missile, is a huge vehicle weighing approximately 100,000 pounds. Most of our vehicular traffic; however, is of average size and weight. More specifically, the portion of Highway #2 west of Minot, ND, for example, is used on a daily scheduled basis by our Operations, Security and Maintenance personnel in direct support of our Launch Control Facilities (LCF) and numerous missile sites. In addition, our Food Services personnel use Highway #2 twice a week.

As you can see, U. S. Highway #2 can be critical to a portion of our Strategic Missile Force. I fully support any effort to improve Highway #2 and stand ready to assist you in any way.

Sincerely

GEORGE D. MILLER, Brig General, USAF
Commander

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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CRAVEN - HAGAN CLINIC
PHYSICIANS AND SURGEONS
BOX 1487 (701) 572-7651
WILLISTON, NORTH DAKOTA 58801

May 31, 1974

Mr. Wes Keller, President
Communities for Modern Highway 2 Committee
c/o Minot Chamber of Commerce
Minot, North Dakota 58701

Dear Mr. Keller:

I am very happy to see that communities along Highway 2 in North Dakota have finally joined forces to try and bring about some badly needed improvements for the northern portion of our state.

I am under the impression from my own observation and research that Highway 2 should be or is the second most traveled highway in North Dakota. I am also under the impression that at a meeting in early March, 1974, the North Dakota Highway Commission placed improvements for Highway 2 as the Number One priority for 1974-75, it's a good thing because I have personally traveled Highway 2 for fourteen years and I have never seen it in such bad condition! Thank goodness for the 55 mph speed law, because I am sure that any higher speed limit on Highway 2, under its present conditions, would result in a rash of accidents and the possible loss of life of many people.

I fail to understand why all breaks in the highway are not clearly marked as dangerous at a reasonably safe distance warning of the break-up, instead of a small red flag right on top of the break-up as is so common today. I further fail to understand why the North Dakota Highway Department does not remove parts of wreckages and rubbish from the sides of Highway 2 where there has been an accident in the past (White Earth Valley - Stanley - Blaisdell areas). Why, at the White Earth Valley site the junk is even rusty and it's these sites that tourists who might be going through our state remember, it's not the rolling plains, clear skies and clean air of North Dakota tourists will remember - no, it's the junk along the highway that they will remember.

I further fail to understand why at the intersection of Highway 2 and 52 approximately 13 miles west of Minot that Highway 2 makes a 90 degree square corner at the bottom of a long hill. I

FAMILY PRACTICE:
JOSEPH D. CRAVEN, M.D.
EDWARD J. HAGAN, M.D.
ROBERT C. KOCH, M.D.

OBSTETRICS AND GYNECOLOGY:
JOSEPH E. ADDUCCI, M.D.

GENERAL SURGERY:
PHILLIP J. RUFFALO, M.D.

CLINIC MANAGER:
THEODORE D. GATES

would like to know how many accidents can be credited to the wonderful feat of construction and planning at that very point from this unbelievable intersection.

I would hope that the Communities for Modern Highway 2 Committee can get some action on improvements, clean-up and how about four-laneing there must be enough traffic to justify this type of construction.

Sincerely,

Theodore O. Gates
Clinic Manager

TOG/pe

cc: Mr. James Maragos

cc: Mr. Walter Helle

cc: Gov. Art Link

MINOT
GEARED TO GROW!



North Dakota's
Magic City

May 13, 1975

Mr. E. J. Hanson, President
Communities for a Modern U.S. 2
Grand Forks, ND 58201

Dear Mr. Hanson:

The Board of Directors of the Minot Area Development Corporation has asked me to express written approval of your organization's efforts to improve U.S. Highway 2 to its rightful place as a modern, efficient artery in the United States Highway Transportation System.

One of the most important assets which must be had to develop the industry and jobs required to keep our area vital and alive is a safe highway leading to the east and west ports and population centers. Without such a highway, Minot and the entire northern portion of the United States will be left behind to exist in the horse and buggy days while the rest of the country enjoys space age transportation and the industrial expansion that follows.

We urge you to keep up the good work you have been doing and pledge our support to your efforts.

Yours truly,

David W. Viker
Executive Director

DWV:brs

MINOT INDUSTRIAL DEVELOPMENT CORPORATION

P.O. BOX 940 • 200 SOUTH BROADWAY, MINOT, NORTH DAKOTA 58701 • PHONE 701/838-7075

Senator BURDICK. The next group of panelists will be from agriculture. Myron Just, North Dakota Commissioner of Agriculture of Bismarck; Kyle Miller, North Dakota Stockmen's Association, Sylvester Rodermacher, president of the American Dairy Association of North Dakota; Al Austad, North Dakota Farmers Union; Francis Simmers, president of the North Dakota Farmers Bureau; Larry Ziegler, president of the North Dakota Farmers Organization. We would thank you if you could make your case in 5 minutes or less. Not necessarily bound by it, but hope you can do it.

STATEMENT OF MYRON JUST, COMMISSIONER OF AGRICULTURE, STATE OF NORTH DAKOTA, ACCOMPANIED BY KYLE MILLER, NORTH DAKOTA STOCKMEN'S ASSOCIATION; SYLVESTER RODERMACHER, PRESIDENT, AMERICAN DAIRY ASSOCIATION OF NORTH DAKOTA; ALAN AUSTAD, NORTH DAKOTA FARMER'S UNION; FRANCIS SIMMERS, PRESIDENT, NORTH DAKOTA FARMERS BUREAU; AND LARRY ZIEGLER, PRESIDENT, NORTH DAKOTA FARMERS ORGANIZATION

Mr. JUST. It is a pleasure for me to appear before your committee on behalf of North Dakotans and as the commissioner of agriculture. I will present a brief overview, and others, representing various commodity groups and farm organizations, will speak more directly to specific needs of the people, and particularly the farming community.

We have about 41,000 farms in North Dakota and, as you can well imagine, they are pretty well distributed throughout the State. Obviously we have a greater population density in the east but, nevertheless, we have farm people and farm products that require good roads and an adequate transportation system to lead the "good life" that we like to think farming can be in whatever rural locale they may be. Farm families need to do their shopping in town, school children need to move safely to and from school, farm families participate in community activities, and a good rural mail system is critical to the rural quality of life.

These 41,000 farmers make up 85 percent of North Dakota's gross product, although they are only about 30 percent of the population.

Although we produce many varieties of grain and livestock, wheat and beef are our predominant agricultural products. Wheat, alone, constitutes over $1 billion worth of our $2.4 billion agricultural economy. Livestock contributes another $5 million, or a half billion, dollars to our economy. The bulk of the remainder is made up of barley, flax, oats, and more specialized crops, such as potatoes, sugar beets, soybeans, sunflowers, and so forth.

We have 2½ million head of cattle on 27,000 farms distributed throughout North Dakota.

Of the 41,000 farmers I alluded to earlier, we have about 30,000 who raise wheat and, in addition to needing good transportation for their own needs of family mobility, we need to move 200 million bushels of wheat every fall from the fields to the farms, from the farms to the country elevators, and from the country elevators to the nearest terminal or subterminal market.

North Dakota's wheat production, alone, makes up 15 to 16 percent of the Nation's wheat supply. I think we can all agree that this kind of wheat supply and the ability to move it is vital to both national and international security.

Agricultural production on a national level produced a $9 billion balance in agricultural trade last year, in addition to providing bread for millions of people at home and abroad.

As you can see by the very general picture I have just given to you, our farm-to-market road system, and the system of county, State, and Federal roads is mighty important to the people of North Dakota and to the people of the United States and the world. Agriculture has been cited for it's high level of efficiency. I think a good transportation system is a vital part of this.

Farm life is considered to be a mighty good life by our rural people, and it is very attractive to our young people who can find the capital and opportunity to enter farming. One of the reasons they find farming attractive is because rural communities in America are no longer isolated; people who live on our Nation's farms can be as urbane and as mobile as people who live in metropolitan areas.

I encourage the U.S. Congress to continue it's support of a good rural road system.

At this point, I will yield to other commodity and organization spokesmen who will deal more specifically with some of the transportation needs of North Dakotans.

STATEMENT OF KYLE MILLER, NORTH DAKOTA STOCKMEN'S ASSOCIATION

Mr. MILLER. My name is Kyle Miller. I'm a cattle producer and grain grower from the Towner, N. Dak., area and a past-president of the North Dakota Stockmen's Association.

My testimony today is given on behalf of that association's 3,000 members and their families.

First of all, we would emphasize that there is a definite and obvious need for continued improvement in rural roads, primarily for transportation of grains and livestock but just as importantly for schools, churches, recreational activities, and for the businessmen who service them all.

Second, the North Dakota Stockmen's Association favors a continuation of the 70–30 cost sharing arrangement of Federal and county funds in the construction of farm-to-market roads. These funds have been of significant benefit to North Dakota's economy. We would recommend the Federal share be increased, if this is possible.

A third point which we would make, and which is pertinent to all road construction, is our association's opposition to diversion of Federal highway trust funds for subsidizing mass transit systems, or for any purpose other than public roads.

In briefly addressing the subject of isolation of the elderly in rural areas, it would not seem this is as much a matter of roads as it is a lack of public transportation. Therefore, providing some mode of transportation for the elderly in rural areas would seem to be the more immediate need.

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To summarize, adequate rural roads are vital in maintaining and promoting greater rural welfare and prosperity. The livestock industry is particularly dependent upon trucks in the transportation of its products. Without adequate roads, transportation of livestock would be severely handicapped.

STATEMENT OF ALAN AUSTAD, NORTH DAKOTA FARMERS UNION

Mr. AUSTAD. Chairman Randolph, members of the subcommittee, it is our pleasure to be able to appear before your Public Works Subcommittee on Transportation. We thank you for your effort in coming into our State to hear testimony on the problems of rural transportation. There are many facets of the transportation problem in which the North Dakota Farmers Union is active and involved, today we wish to address ourselves to one aspect of rural transportation and hope that other groups will express their ideas on this and other problems of the day.

North Dakota is primarily a rural State with 56 percent of our population living in rural areas. We depend on agriculture in one form or another for over 80 percent of our wealth. The importance of good farm-to-market roads to not only the farm people, but the people who depend on agriculture, cannot be overstated. Without an adequate means of transportation our small town society, as we now know it, is doomed.

The road plays an important part of each North Dakotan's life. There were 55,826 children bused to school in North Dakota in the school year 1973–74. The farmer used 477,993 tons of fertilizer in 1974. There was 102,026,330 gallons of gasoline sold to farmers in 1974. All of which must be finally hauled on the farm-to-market road and over the feeder systems to ultimately arrive at the farmstead. The road in a rural North Dakotan's life is his only means to a hospital and the only means to get his product to market.

In 1972, North Dakota produced 216,818,000 bushels of wheat, all of which is initially handled by farm truck. North Dakota relies on it's farm-to-market roads and feeder roads for all it's grain movement. Twenty-four percent or 51,829,000 bushels of wheat were shipped to the final market by trucks. There is a reasonably adequate and well maintained system of farm-to-market roads. However, one of the major problems in North Dakota is the feeder system to these roads, not the farm-to-market road itself.

The feeder road, built and maintained by local governmental units, is a major source of concern. Many townships are or will experience monetary hardships in building and maintaining an adequate system of feeder roads. These hardships are the result of a declining tax base, due to a declining population and aggravated by skyrocketing costs. The initial step in getting an agricultural product to market is first getting it off the farm. The direction Congress should take is one in which this local governmental unit can be assisted in building and maintaining of the first road used in the marketing system.

Many hearings have been held on the problems of the transportation hearings. Rarely does the trucking industry state that one of their problems is with an inadequate highway system. Their complaint is with the regulatory agencies of both State and Federal governments

and in the case of grain with the unloading facilities, not with the highway system that we have in North Dakota.

The physical transportation of grain from the country elevator to the major market is primarily by rail and rightly so. It is more efficient to ship by rail than by truck and it is cheaper to ship by rail than by truck. In figures prepared in 1974 by the Economic Research Service, U.S. Department of Agriculture, the shipping of agricultural products by rail average 250-ton miles per gallon of fuel while shipping by truck averaged 48-ton miles per gallon of fuel. In this age of energy shortages we must consider the national economics of our fuel usage.

In an age of inflation and rising costs we must also consider the monetary impact of rail versus truck shipment of our produce. To ship by truck in most cases is more expensive, the rates are not regulated and depend to a great degree upon the availability of alternative means of shipping, that is, the rates tend to rise when there is a shortage of railroad cars.

[In cents]

	Rail	Truck	Truck rate plus unloading discount
From Dickinson to St. Paul	[1] 45.9	[2] 50	52
From Ryder to St. Paul	39	39	41
From Belfield to St. Paul	42	39	41

[1] Per bushel figures.
[2] These figures do not include unloading discount for trucks which was 2 cents per bushel on Apr. 14, 1975.

What then must be done to assist the people of North Dakota? We must increase the farm-to-market road system which handles 100 percent of our grain and improve and help maintain and build the feeder roads which serve as accesses to the farm-to-market road. The first major stumbling block in the marketing process is moving grain and cattle off the farm to the initial market. As long as we have adequate rail transportation, our present highway system will be able to handle their share of the commodity transportation, if our rail system declines our highway system will not meet the additional burden placed on it by this decline.

Nationally, we must improve two basic segments of our transportation systems. The first being the feeder roads to the farm-to-market road and the second and most widely publicized, the Nation's railroad systems. We must look to the future in this country and not to the past, we need an efficient and economical means of mass transit. A highway is not the means with which this end will be achieved. With our present technology an improved rail system is the most efficient and economical means of movement in rural America.

Thank you.

STATEMENT OF FRANCIS SIMMERS, PRESIDENT, NORTH DAKOTA FARM BUREAU

Mr. SIMMERS. The North Dakota Farm Bureau appreciates the opportunity to present the views of its members on transportation matters in North Dakota. These remarks are directed to improving

transportation service in and out of the State, keeping in mind the need to save energy, and the need for the most efficient and economical use of facilities, resources, and labor.

The major transportation activity is the movement of wheat and other grains out of State for processing and consumption, and the return of fertilizer, steel products, lumber, and other farm and home supplies. This service is provided by several railroad mainlines, and many long-haul trucks. Both systems are needed, not only to provide competition, but each have special qualities that are complimentary. The railroads are by far the most efficient long distance movers of bulk commodities from one terminal to another, and the use of multi-car and even unit trains is encouraged. The savings of this type of operation should be reflected in lower freight rates which should make the program self-stimulating.

However, trucks provide a door-to-door service the railroad cannot duplicate. There are times when the availability of a large truck to move grain from the farm direct to Great Lakes or barge terminals is more than worth the extra cost. But in general, we think long haul, point-to-point movement of bulk commodities can be done most efficiently by rail.

We do not encourage the abandonment of railroad branch lines, but apparently it is coming. As large sub-terminal elevators are built along the main rail lines, a system of good roads is needed over which to move the grain from farms and country elevators. It is in this area that large trucks are most efficient, but they must have adequate roads.

Both the railroads and the trucks are suffering from over-controls of Government. Management of these services needs to be free to make decisions as the needs require. This means that the regulations regarding railroad labor that are a holdover from the days of the hand-fired steam locomotive need be adjusted to modern conditions; freight rates should be based on ton-mile costs, rather than arbitrary zone charges. Trucks should be free to haul any commodity anywhere they choose, at a negotiated rate, rather than be forced to make long return trips empty. Other general recommendations:

One: Even roads of interstate quality will not last very long under so much heavy truck traffic. Interstate 94 is so rough it shakes trucks apart and is a health hazard to truck drivers.

Two: Additional 4 lane roads are needed to complete the system—especially a connection in Minnesota from Interstate 94 to Duluth, a northern route across North Dakota, and additional north-south routes.

Three: The evident conflict in the two preceeding points emphasizes the need to keep heavy long haul freight on the rails, while using the highways for lighter, short haul loads.

Looking at personal travel, and mail service:

Amtrack may as well be terminated, as it has not attracted enough volume to be successful. It should be written off as a sincere experiment that failed, and as evidence that Government is not able to run a business. We are referring only to sparsely populated areas—there no doubt is a need for commuter trains in urban areas where there are enough people to make it worth while. In place of Amtrack, we would recommend reduced fares on the airlines for those who wish to travel without

food and other unnecessary services, and a program to stimulate the use of buses between small towns, cities, and airport terminals.

Due to the fact that North Dakota is sparsely populated, and that we are engaged in a variety of activities, there is really no pattern of travel that would justify a complex public transportation system. However, there are several opportunities to serve people, mostly senior citizens in rural areas by making better use of existing facilities.

The U.S. mail is already operating a fleet of contract haulers to move mail from zone post offices to small towns—why not change regulations so they could haul a few passengers on the same route, using a comfortable van type vehicle? Perhaps more runs would be justified if people would use it, resulting in both better mail and passenger service.

On main highways, more buses would be needed to move the people now using Amtrack, and to provide better schedules to airports—the bus and air schedules should be coordinated as much as practical. Mail could also be hauled on buses, giving them more revenue, which in turn would allow more runs, thus becoming a more attractive alternative to other forms of travel.

We—the public—also own a tremendous fleet of schoolbuses that surely could be used more fully. Why not allow persons of any age to ride schoolbuses on their regular runs in rural areas, and even make extra runs in the cities to transport workers and shoppers? Extra capacity would probably be needed, but it could eliminate the necessity of some people from even owning an automobile, and would certainly eliminate some of the one person per vehicle trips.

One of the major local problems is that county governments are responsible for the construction and maintenance of the farm-to-market road system. Counties do get State and Federal aid in addition to local property taxes to pay for these roads, but it is not near enough in view of the increased demand for more and better secondary roads, and the increasing costs of hard-surfacing them. The total cost of applying asphalt surfacing has nearly tripled in the last 3 years, and county revenues from all sources are far short of meeting the needs. Some counties are able to afford only basic maintenance, others have had to reduce improvements to meet their available funds.

Research needs to be done to discover more economical methods for hard-surfacing roads, and new formulas devised to distribute tax money to the subdivisions of government who are charged with road construction and maintenance.

It is important that highway trust funds be used as originally intended—for highways and other rural roads. The problems of mass transit for the cities is different, and needs its own solution, independent of the highway system.

Each and every citizen has an interest in economical and efficient transportation, regardless of location or occupation. The roads that lead from the farms, to the small towns, to the interstate, to the rail-of industry. There is no part that is more or less important than another—it is all related and equally necessary.

The problem is the design of an overall system, and the fair distribution of the costs of establishing and maintaining the system.

STATEMENT OF LARRY ZIEGLER, PRESIDENT, NORTH DAKOTA FARMERS ORGANIZATION

Mr. ZIEGLER. The North Dakota NFO submits this statement for the U.S. Senate subcommittee hearing to be held April 19 in Minot, N. Dak.

In North Dakota 80 percent of the new wealth that is created comes from agriculture. North Dakota is a State of broad expanses with poor accessability to a large portion of our land area.

We have very limited all weather air transportation facilities. Railroad transportation is in short supply for people and not dependable for the transporting of agricultural commodities, especially during periods of peak use.

This all indicates to us the need for highway transportation facilities. Our use of highway transportation is shown in our use of trucking to transport grain, milk, and livestock. The members of the NFO own rail, barge, and truck transportation systems to move our production. We feel the need is great to improve highways. We will continue to have problems of moving agricultural commodities and people unless highway improvements are not continued. Perhaps the need in heavily populated areas is for mass transportation systems, but in North Dakota the need is to improve highways to move production and people.

We also hope assistance can be given in getting more uniform regulations between States on uniform truck licensing, truck length and equipment, and uniform weight standards.

The North Dakota NFO feels highways are the life line of North Dakota. We hope Congress will do all in their power to improve our highway system.

Senator RANDOLPH. One concern I have, Mr. Chairman, as I look through the very informative chart, is the continuing decrease in the number of farms. I was trying to relate that to the size of the farms. I wondered whether the land was just not being used at all. Would you clarify for me?

Mr. MILLER. Very definitely being used, Senator. I think it's in the change in the number of farms. You could relate this back to the beginning of time, that proceeding has been made in the technicality of farming and machines, and so on. This whole business lends itself to information people being able to farm more acres with large equipment and so on. I suppose the guy invented the wheel and started all of this. Isn't something that has come about by current economic conditions. The trend began with the settlement of the country Homestead Act, proved itself to be of a tremendous importance to this State, of course, and the whole development of the West, but it wasn't long before determined a quarter section of land, particularly in the western two-thirds of North Dakota, was not sufficient. The land is being utilized, you bet it is. Just a fewer farmers are doing it. Now, many implications, socio, economic picture of this and other ramifications, probably wouldn't go into it today, but you have mentioned awhile ago, or asked if there were more young people coming back to farming and this is why they were coming back. I don't think there's much question that the economics of it has had a tremendous impact, particularly in the last 3 years with the tremendous increase of the

price of our grains. Durum and wheat and so on, with the foreign sales that have been made.

Now, this hasn't all been rosy either. We have seen inflation take a tremendous toll of this, but nonetheless made it far more luring to young people to come back to the farm, seeing there's an opportunity to make a good living, and the type of life they rather long for, once they see what it's like to live in large cities and all the problems that large cities have, and when I say large cities, I am referring to places like Washington, D.C., if you please, New York City, Philadelphia and extremely large ones. We don't have all of these problems in small towns of North Dakota and the rural areas. It's a good way of life and a lot of young people are coming back to it.

Senator RANDOLPH. I certainly hope what you're saying is true.

Senator BURDICK. There is a little problem of financing. Today, my good colleague, a tractor, a good Stieger tractor, costs $40,000. That used to be enough to finance a small farming operation. Farmers have a tremendous overhead that they never had before. That's the problem with young farmers. This is part of evolution.

Mr. MILLER. It is growing by leaps and bounds. The turn of the century, you got land here, 160 acres under the Homestead Act. Today the average farm holding in North Dakota—wasn't a year or two, was over 1,000 acres. That's evolution, that's taking place. We still have a tremendous cost.

Senator RANDOLPH. I am concerned because we're having trouble in West Virginia getting doctors to come into the rural sections. Someone testified to that effect here, too, in North Dakota, today. That's why I want to talk about the young people coming back to the farms, but the younger people who are in the field of medicine are not coming back.

Mr. MILLER. This is very definitely true. We have long distances. Just last Monday I had a son who was stricken with acute appendicitis, a very sudden thing. We had to bring him 45 miles. No problem. Got up here in plenty of time. Become accustomed to this as a way of life that we must travel probably an hour to get to a medical facility. And, yah, this could be improved upon. I know, but we rather accept it, I guess, as something we must live with and with modern automobiles and so on, can get there rather rapidly, if you have to. My—three of my four sons were born with a doctor 45 miles away and got pretty close at times, but it was no problem. You mentioned earlier, Senator, of being culturally deprived. I am sure this being a subject of a relative nature, that in the eyes of many people in the areas in the East where—and in the Midwest, too, where they have cultural facilities available to them, they would consider us quite culturally deprived out here, but we do have a number of these things that we have going for us, that they don't. Kind of a spinoff on a lot of areas.

Senator RANDOLPH. Of course, I think you have many plusses, more than you have negatives.

Mr. MILLER. Kind of famous things we don't have, like a lot of pollution and a lot of race problems and things of this nature. Crime problems. We have them but not nearly of the nature that the big city areas have. So we have got a lot of things going for us.

Senator RANDOLPH. Well, I think you've got a great State. You have a great population. I think you have great spirit and we're going

to have to add something to that for everyone; great faith in the years ahead. I am sure you are going to contribute that here in North Dakota. I think the values that are very important are here in a great degree. And that's why I want somehow or other, to build that Highway No. 2.

We're all going to have to be in partnership on this effort. We in the Congress provide funds and then decisions are made at other levels. But I recognize a great need of a State such as that you have presented here for that highway artery. It's very compelling, and Quentin and I expect you keep at us on that back in Washington.

Senator BURDICK. You will hear from me, Dale.

I just would like to make a general statement here. See if you gentlemen agree to it. Seems to be the concensus that we need both rail and truck and always seems to be a concensus that perhaps more and more grain will be hauled instead of branchlines by truck. Perhaps assemblying centers whereby more efficient to use rail. Is that oversimplification, or can you see us going in that direction?

VOICE. I would agree with you.

Senator BURDICK. We're not talking about competition rail and truck. We're talking about both today.

Well, thank you, gentlemen.

Thank you. You have been very helpful. Now to our neighbors who have been long patient and yielded their space some while ago. Now we call upon the Minnesota delegation.

STATEMENT OF FRANK MARZITELLI, COMMISSIONER OF HIGHWAYS, STATE OF MINNESOTA

Mr. MARZITELLI. My name is Frank Marzitelli, commissioner of highways of the State of Minnesota. I appreciate the opportunity to testify at this hearing and believe that my testimony will reinforce testimony presented to you by others at this hearing and previous hearings.

The Minnesota Highway Department, in cooperation with the 13 regional development commissions in Minnesota, has conducted a series of public meetings throughout our State. These meetings were held during the past 6 months as part of the highway system planning process as spelled out in the Minnesota action plan. I would like to convey to you some of the comments that were heard most frequently at these meetings.

One: Provide year-round unrestricted roads to more of the State's municipalities.

Two: Improve inadequate and substandard roads and bridges.

Three: Encourage adequate rail service—stop rail abandonments.

Four: Improve highway safety by: (*a*) providing adequate lane and shoulder width; (*b*) providing adequate traffic control at intersections; and (*c*) reducing the number of unsafe, sharp curves, and restricted passing zones on rural roads.

Five: Provide adequate transportation facilities to recreation areas.

Six: Provide adequate transportation service to the needy, the elderly, and the handicapped in rural areas.

Seven: Provide improved intercity bus service.

Eight: Reduce delays in road construction caused by social and environmental controversy.

It was evident from these meetings that the public does perceive the problems of providing adequate transportation, and that a large majority of rural residents favor substantial programs of road improvements to satisfy their needs. Let me expand upon some of the statements that were made at these meetings.

A major funding investment will have to be made if we are to provide year-round unrestricted roads to more of the State's municipalities. The Minnesota Highway Department currently has approximately 12,200 miles of roadway under its jurisdiction. Of these 456 miles are restricted to a springtime load limit of 4 tons per axle; 1,486 miles are limited to 5 tons; 866 miles are limited to 6 tons; and 1,844 miles are limited to a 7-ton loading. Making up the remainder of the 12,200-mile system under our jurisdiction are 7,539 miles of roadway that are capable of carrying the legal axle weights. As you can see from these figures, approximately 38 percent of the trunk highway system is not capable of handling the legal load limits for about 6 weeks each spring. The restricted mileage economically isolates 98 of the 738 municipalities served by the trunk highway system, and in addition to these there are 71 out of 117 municipalities off the trunk highway system that are isolated by the lack of adequate county roads. Transportation costs are increased in those areas having restricted roadways—costs which eventually are passed on to the consumer.

One of the other comments that was frequently heard at these meetings was the inadequacy of many bridges throughout our State. In many cases a bridge is the weak link of a roadway, and it does little good to provide a 9-ton facility that must be restricted because of an inadequate bridge. On the system of roads under the jurisdiction of the highway department we have 282 bridges out of 3,384 or 8.3 percent that are inadequate. It would require an expenditure of approximately $182 million to replace these bridges. The counties in Minnesota have under their jurisdiction 1,519 bridges out of 5,063 or 30 percent that are inadequate with a replacement cost estimated at approximately $125 million. There are 128 bridges out of 715 or 17.9 percent that are inadequate and under the jurisdiction of municipalities within the State. These bridges have approximate replacement costs of $35 million. The townships in Minnesota have 1,734 bridges out of 3,963 or 43.8 percent that are inadequate. It is estimated that approximately $76 million would be required to replace those bridges. Total bridge replacement costs for the approximately 3,700 deficient bridges in the State of Minnesota is estimated at $418 million.

Rural residents are also very much concerned with railroad abandonments. Railroad trackage continues to be abandoned at the same time we are unable to provide adequate roadway facilities to the communities affected by these abandonments. At the beginning of 1967 Minnesota had 12,100 miles of trackage of which 8,060 miles were considered mainline, 570 miles secondary mainline and 3,470 miles classified as other. Since 1967 approximately 544 miles have been abandoned, and another 440 miles are pending abandonment.

The road system in Minnesota is the economic lifeline of the State. With the funding that we now have, we are unable to provide needed

roadway improvements. Inflation has caused a severe increase in costs, both for maintenance and construction, and at the same time the actual dollar amount available to us has been reduced. If we are to make improvements that will provide an adequate roadway system, the trust fund must be maintained so that long-term funding is assured. In order to insure funding at the Federal level we support the continuance of the 4 cents Federal gas tax. The Federal gas tax has provided us a means of establishing a national network of roadways which is important to our Nation. Some States have objected to this program in that they do not receive back from the Federal Government all of the funds collected by the Federal tax within their States. However, it must be recognized that in order to have an adequate system of highways nationwide, we must have donor States as well as receiver States. This is the main point that Congress must consider before changes are considered in the Federal gas tax. If after consideration of these issues Congress does determine that a change is necessary, we would support continuation of a 1 cent gas tax at the Federal level of the Interstate System and forest highways, with the provision that the States could pick up the 3 cents tax that would be dropped on the Federal level for funding of their roadway improvements.

We are in favor of consolidating the categorical grant programs. There are at the present time more than 30 categorical programs providing too many areas of expenditure with limited supply of dollars. In essence this slows down much needed construction of existing systems as well as creating more administrative problems. Federal aid should be restricted to use on the Federal-aid systems as these are the major travel corridors.

Mr. Chairman and members of the committee, in concluding I would like to express my appreciation to you for the opportunity to present the views of the State of Minnesota regarding our critical highway needs. I am sure that hearings such as this will provide valuable information for those at the State and Federal level who are responsible for our rural highway systems.

Senator RANDOLPH. I only want to interrupt for a second. You are speaking about the deficiency in our bridges. There are approximately 88,000 bridges throughout the country that need to be replaced. We tried to take care of this situation through the bridge replacement program, but we have never been able to get enough funds. Thank you.

STATEMENT OF BERNARD LIEDER, COUNTY HIGHWAY ENGINEER, POLK COUNTY, MINN.

Mr. LIEDER. Mr. Chairman, my name is Bernard Lieder, county engineer of Polk County, Minn., and president of the National Association of County Engineers. I am also expressing the views of Minnesota Good Roads, Inc.

I appreciate the opportunity to appear before you on rural transportation. As a county engineer, it would seem that I have a vested interest in highway development. I, however, believe that I have a common interest with the people whom I serve. These people, in rural communities outside of the urban areas, have one basic transportation mode at heart. This mode is and, for the immediate future, will con-

tinue to be highways. Until the nonurban community will identify another mode, it is in the national interest to maintain and construct a system of highways for the rural or nonurban areas.

We are pleased, Mr. Chairman, that you have scheduled rural transportation hearings in several areas of the United States. We have confidence that your committee will consider the importance of a continuing program for rural highways.

In the past year I have had numerous discussions with Congressmen, their staffs and staff of the congressional public works committees as well as with some personnel of the Federal Highway Administration in Washington, D.C. It has been most disheartening for me to be told by the staff personnel that, and I quote "Rural highways are not of national interest". I must admit that the statement "Rural highways are not of national interest" was not expressed by any of the Congressmen with whom I spoke. It was apparent that this was not their feeling; however, it was and appears to be a staff syndrome.

The 1973 Highway Act provides for a reduction in the Federal-aid secondary system. The bulk of the Federal-aid secondary system roads are under county jurisdiction. The 1973 act provides that only "major" collector routes in the functional classification system will remain in the reorganized Federal-aid secondary system. The 1973 act will reduce the mileage of Federal-aid secondary highways by approximately two-thirds of the 600,000 miles now in the secondary system.

Most of the Federal-aid secondary system roads are farm-to-market roads. In our State of Minnesota the FAS system mileage will be reduced from 25,787 miles to approximately 15,000 miles. In the county that I represent, Polk County, the FAS mileage will be reduced over 40 percent. In 1973, the year of the "Balance of Payments", Polk County alone produced 12,748,800 bushels of wheat, 7,249,200 bushels of barley, 4,967,900 bushels of oats, 937,900 tons of sugar beets, 3,766,000 hundredweight of potatoes, and 21,755,000 pounds of sunflowers. In other words rural roads may not have volumes of people but they do have volumes of food for people.

The States and counties face the prospect of less Federal highway funds and the possible transfer of 200,000 miles or more of additional roadway to their sole jurisdiction. This, at a time when they are having extreme difficulty in financing maintenance and improvement of their present highway systems.

These rural roads must handle a major portion of steadily increasing bulk farm commodity truck traffic. Large truck registrations are rising at a much more rapid pace than registrations for any other type of motor vehicle. This situation is caused in part to large-scale railroad abandonment. In the past 35 years 763 miles of railroad were abandoned in Minnesota, 159 miles in North Dakota, and 622 miles in South Dakota. The United States has lost 46,000 miles of rail to abandonment in the last 40 years—almost all of this in rural America. We are greatly lessening our commitment to rural transportation while at the same time dumping a huge new load on it.

Besides railroad abandonment a major rural road crisis exists in inadequate, unsafe bridges. About 95 percent of Minnesota's bridges were built prior to 1935. Most are now too narrow and structurally unsafe for today's heavy loads. Of the 9,335 structures over 20 feet

in length on rural roads in Minnesota, 3,351 of these are rated as deficient as prioritized from results of the Federal bridge inspection program. Replacement costs estimated at 1974 prices for these deficent bridges on rural highways in Minnesota alone amount to $231,-451,220. A 9-ton road with a 5-ton restricted bridge is only a 5-ton road.

At a recent sugar beet growers' meeting and equipment showing, triple-axle trucks were introduced to the farmer. The use of this type of hauling unit would require mathematical computations other than are now used for rating the structural-carrying capacity of bridges. This would invalidate the present ratings and practically make all bridges structurally deficient.

Modern day farm equipment used on rural roads renders most bridges with above-roadway superstructures or railings obsolete if they are 30 feet or less in width. Farmers are restricted from buying some modern cultivators, disks, combines, and harvesters because they can't move them through the narrow bridges. This affects food producitivity, costs and the energy use. The State of Mississippi still has 7,318 bridges that are less than 16 feet wide. Arkansas has 7,012 of these bridges and Indiana has 7,871. Of the 1,222 bridges in North Carolina considered deficient, many are 16 feet or less in width.

The Federal Government has provided for off-system and on-system funds most of which are programed for bridge replacement. Regulations for off-system funds have been released and a small release of on-system bridge replacement funds have been released in Minnesota. In Minnesota the off-system funds will be used for replacing critical bridges; as yet, there have been no bridges replaced with off-system funds. Minnesota has 2,225 bridges over 20 feet in length on the off-system which are deficient. The replacement cost of these bridges is estimated to be $114,849,000 at 1974 prices. The off-system allocation for the State of Minnesota is $5,084,705 per year. At that rate, it will take 23 years to finance replacement at current costs. To further complicate this problem, there are 1,794 townships, 793 municipalities, and 87 counties in Minnesota eligible to share the annual approximate $5 million in off-system allocations. Many of these local agencies have no concept of requirements necessary to place these bridges under contract. Costs for administration, environmental, design and construction supervision requirements will further deplete the funds available for construction.

The off-system funding is predicated on the basis that it is unrealistic to build the existing Federal-aid secondary system because of lack of funds. It would have been more realistic to keep the present Federal-aid system rather than token funding an off-system program. We do concede that off-system funding appears to have merit when considered with a reduction in the Federal-aid secondary system. However, it would be more logical not to reduce the Federal-aid system; then a new system called off-system would not have to be created. If rural roads are questionable as to their "being of national interest" certainly the present FAS is more "of national interest" than most of the off-system roads which are strictly very local roads.

One of the main reasons cited for the reduction in Federal-aid secondary mileage was that it was not realistic to assume that the present FAS system could be completed with the present level of

financing. This may be true, but what other Federal program can be realistically or has been wholly federally financed to its completion? In Minnesota alone, less than 10 percent of construction moneys spent on the Federal-aid system are Federal funds. Local and use-tax funds are used for matching moneys and for the balance of all construction financing on the present Federal-aid system. In addition, Minnesota counties have reacted to the need for highway improvements by using a large portion of their Federal revenue sharing funds; in 1973 the counties used $20.5 million for highway purposes in the State of Minnesota. The argument in favor of the present Federal-aid system, which the Federal highway people say cannot realistically be completed, is that the present system allows flexibility for the local elected officials who understand local needs, to determine where and when to build on a system; further it defines a system and provide for continuity and programing by the local elected officials; it also causes local officials to scrutinize the spending of their funds because they are co-owners of the system; it gives the local officials a priority system at the local level comparable to the principle of interstate at the national level.

We believe that, if the present FAS system were left intact, Federal funding, in limited amounts, provide for a system "of national interest". Certainly "off-system" funding is not on road "of national interest". We cannot rationalize the reduction of the present Federal-aid system and then turn around and create an offsystem. Another system is not necessary considering that we already have 38 categorical Federal-aid highway programs. It seems logical to reduce these categories down to three or four. The category reduction is one area where we are in agreement with Federal Highway Administration.

There is often a reference to the relationship between the Federal-State-county as a partnership when refering to highways. There are 3,106 counties or county-type governments in the United States. Most counties working through this partnership have established themselves as capable of handling and administering Federal funds. There are some States, however, where Federal-aid secondary road construction projects are administered by the State.

The present Federal-aid-secondary program has created a system of rural roads second to none in this world. This has been done with a relative minimum of interference, politically or otherwise. The most common complaint has been redtape. Much of the redtape has been caused by non-highway requirements, that is environment, right of way, equal opportunity, relocation assistance and others.

There has been a sincere effort to reduce redtape but generally with each ensuing new program, we find additional problems. The certificate of acceptance procedures as provided for in the 1973 act have not been implemented to any degree since most States have been unable to comply. The secondary road plan as provided for prior to the 1973 act appears to be more workable.

Other inadequacies could be remedied by allowing more funding flexibility within urban and rural sections. This transferability now exists only for primary extensions and urban routes.

Your committee is concerned as to the appropriate role of the Federal Government and other levels of government in the highway program. To the rural community, the primary mode of transportation

is highways. In the total United States only 14.2 percent of all rural roads are capable of carrying heavy loads; in Minnesota it is 19.7 percent; in North Dakota, 5.2 percent; in South Dakota, 7.8 percent; and in Kansas, 4.1 percent. The major portion of our farm-to-market road system was built prior to 1930 and most of these same roads and bridges are in use today. These roads and bridges were not designed to carry today's loads. We are now striving for full agricultural production both to feed the world and balance our payments. Transportation and the capabilities to transport play a significant role in this goal. It certainly is a reasonable statement that rural highways are "of national interest".

We recognize that it is difficult for the Federal Government to enact laws that benefit all States equally. It is accurate to say that rural interests remain with highways as their primary mode of transportation; therefore the Federal highway trust fund should remain inviolate and the Congress should act quickly to extend the trust fund beyond its expiration date. The Congress should also provide in an amended highway act, that the present 38 categorical aids be reduced or consolidated into a maximum of three or four categories such as the Interstate System, urban transportation, rural transportation.

We are aware of proposals in the Congress to change the distribution of the federally collected gas tax revenues. In the event that a change is necessary, 1 cent could be allocated for the Interstate and forest highway programs and 3 cents go back directly to the States or in lieu thereof, allow the States to levy the 3 cents. If the States do not levy 3 cents, this 3 cents should not be lost but should be levied by the Federal Government to remain in the trust fund.

In the consideration of rural transportation it should be understood that the basic need is not new roads, that is new roads on new right of way; what we need is really an improvement of existing roads and facilities. We cannot continue with the deterioration of rural highways as has happened with the rural railroads. An adequate transportation system providing for the convenient, fast, safe, and efficient movement of goods and people is absolutely essential to the welfare of any country.

We in the rural areas are very much concerned about rural transportation. The time has come to use people involved in rural transportation. Rural transportation should not be a fall-off from Federal urban, mass, or interstate transportation; it should be a consideration with the total transportation needs. We have local and county officials, county engineers, secondary road engineers, the National Association of County Engineers, and the National Association of Counties and others who are willing and able to provide input into rural transportation deliberations. These people live with and are responsible to the needs of the citizens in the rural—nonurban—areas of the United States. These people should be more properly used before being affected by laws, rules, and regulations rather than being used to live with the aftereffects.

Thank you, Mr. Chairman, for this opportunity to testify before your subcommittee. I will be happy to answer any questions you may have.

Senator RANDOLPH. You think we might spend some Federal funds here at home, rather than overseas?

Mr. LEADER. I think it certainly should be considered as a balance, definitely, yes. Thank you, Mr. Chairman, for the opportunity to testify before this subcommittee.

Senator BURDICK. I thank you.

STATEMENT OF VERNON T. KORZENDORFER, MINNESOTA COUNTY HIGHWAY ENGINEER'S ASSOCIATION

Mr. KORZENDORFER. Mr. Chairman, members of this subcommittee, my name is Vernon T. Korzendorfer, I am the county highway engineer of Becker County, Minn., my appearance is in representation of the Transportation Advisory Committee of Region 4, the Minnesota County Highway Engineer's Association, and Minnesota Good Roads, Inc.

It is significant that when the region 4 development commission was formed, the commission members listed their areas of concern. Their first priority was transportation. I submit that this is representative of the concern of the people in Minnesota for an adequate transportation system. A system that will accommodate the needs of agriculture and industry, yet serve the recreational needs, not only of our people, but those of the metropolitan centers.

Our region is predominantly a rural oriented region, agriculture is a principal source of employment for many persons. A transportation system that has restricted load limits during spring breakup is no longer an adequate system. Modern day farms depend on the unrestricted movement of feeds and fertilizers. They depend on the ability to move products to markets at a time when these markets are favorable, not at a time when the road conditions will allow.

Minnesota is experiencing a deployment of manufacturing type industry to the rural areas. They wish to take advantage of the more stable and adequate labor force that often exists in our rural communities. A prime consideration then must be the availability and adequacy of the transportation systems for the needs of these firms.

Mr. Chairman, gentlemen, I could tell you at great length the needs of Minnesota in many areas, including the problems of our urban centers, but let's explore several areas where the Federal Government may be of assistance.

First of all, our citizens are not saying build new roads, they are telling us to improve and upgrade existing roadways where possible. County engineers are responding—existing bituminous surfaced roadways of reasonable design and structure are being resurfaced. We ask that restrictive Federal standards be eased to allow projects that are reconditioning projects to be eligible for Federal secondary funding. We ask that flexibility in utilization of Federal funds replace rigid standards. This being done to allow local determinations based on engineering judgment.

The program of off system funding is good in concept, however we in Minnesota received approximately $5 million to stretch over some 2,674 subdivisions. Our county engineer's executive committee has recommended that this money be used solely on bridges. Bridge problems are of prime concern in Minnesota. The current listing of deficient off system bridges shows 2,225 bridges having needs in excess of $114 million. There are many areas where this money may

be utilized, however the amount is not in any way sufficient to do the job. We ask that the off system fund be increased substantially and made annual in its allocation. This being that planning and programing can be done to insure the most good for the money spent. If this is not done then let's add that $5 million to our regular Federal aid secondary allocation. Perhaps in this way it can contribute significantly to the needs of the State.

The county engineers of Minnesota have responded to the provisions and intent of the action plan. We are holding public meetings, we are conscious of the need for citizen input and we are providing the means. However we become increasingly concerned as we hear of the freezing of funds to control economic fluctuations, quarterly controls and limiting allocations of secondary road funds to the functional classification system of major collectors only. Our present FAS system of 26,573 miles will be reduced to 8,844 miles. 8,093 miles of this amount is currently graded and bituminous surfaced to an acceptable standard; 16 of our counties have all major collectors completed. We ask that this mileage be increased to include all collector classifications.

We hold public meetings in which we propose 3- to 5-year construction programs only to learn that our funding sources have or are being withdrawn. As a result credibility of the road administration is suspect. Can you imagine the feelings of county commissioners. I submit to you that instead of being restrictive with FAS funding these moneys should be allocated on a basis of 100 percent project funding and that in the event the Federal gas tax is increased, FAS funds to the States also would be increased. The present method of distribution of Federal funds to States is acceptable. However, it is my understanding a plan is being considered to allocate the present 4 cents gas tax on the basis of 1 cent to interstate and 3 cents returned to State control by allowing States to collect and administrate this tax amount. We favor this method of distribution of road financing. By using this method we should experience a minimum of administrative overhead and maximize the dollar return to the States.

Gentlemen, I appreciate the opportunity you have afforded us and in addition to this statement, I am offering the draft proposal of our regional transportation policy plan for the consideration of your committee.

[The transportation policy plan referred to follows:]

PRELIMINARY

TRANSPORTATION POLICY PLAN

DRAFT PROPOSAL

WEST CENTRAL REGIONAL DEVELOPMENT COMMISSION

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Transportation Advisory Committee Members

Vern Korzendorfer	- Becker County - Chairman
Vern Bisson	- Douglas County
Robert Ellestad	- Pope County
R. O. M. Grutle	- Otter Tail County
William Nelson	- Grant County
Ted Dosedahl	- Stevens County
Donald Richards	- Clay County
Larry Schaub	- Traverse County
John Walcup	- Wilkin County

Introduction

The purpose of this Transportation Policy Plan is to define the transportation issues and problems , determine transportation policies, and designate a transportation work program for Region IV.

The transportation issues have been defined as: 1. the lack of a developed air system; 2. a deteriorating railroad system; 3. a highway system beset by inadequate federal and state planning, limited public transportation programs, and marginal financing; and 4. a recreation system hampered by a lack of information concerning local needs and resources, and coordination of recreation development between communities.

Efficient transportation is important to the quality of life and economic well-being of any region. Transportation was named the number one priority by the West Central Commission members. Region IV is basically a rural area that depends on a good transportation network to move farm produce to market and receive services from the metro areas. As a result, the transportation policies in this plan reflect the intent of the West Central Commission to establish and maintain a transportation network that will adequately serve this region.

The transportation policies are the basis for the work program. The work program outlines specific projects to be undertaken by the West Central Commission during 1976. A tentative project schedule is outlined for 1977 and 1978. The work program consists of recommendations on transportation issues; resolutions for changes in transportation policies, plans, and programs affecting Region IV; coordination efforts between agencies; and research studies to identify transportation problems, needs, and solutions.

This policy transportation plan has been prepared under the authority of Chapter 462.39, Regional Development Act of 1969, Subdivision 3, which directs the Regional Commission to prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region which shall include a transportation planning guide.[1] The Transportation Advisory Committee is responsible for this policy plan and will carry out the work program. Their efforts include familiarization with programs of the Minnesota Highway Department, Minnesota Department of Aeronautics, and recreation interest groups. Transportation system maps have been developed and transportation problems have been discussed. Mr. Larry Schaub has been appointed to the State Technical Advisory Committee to the Minnesota Highway Department.

Transportation Goals for Region IV

The overall transportation goals of the West Central Regional Development Commission are listed below. The transportation policies and work program are designed to result in accomplishment of these goals.

1. ESTABLISH A TRANSPORTATION NETWORK TO SERVE ALL MODES OF TRAVEL WITHIN THE REGION.

2. ESTABLISH SCHEDULED AIR SERVICE TO ALL COMPLETE SHOPPING CENTERS WITHIN THE REGION.[2]

3. IMPROVE RAILROAD SERVICE TO ALL COMMUNITIES ON THE EXISTING RAIL MODE SYSTEM.

4. DEVELOP A REGIONAL HIGHWAY PROGRAM SUPPORTING AN AGRICULTURE AND TOURIST BASED ECONOMY.

5. ESTABLISH A REGION-WIDE MULTIPLE USE SYSTEM OF RECREATION TRAILS.

Transportation Policies for Region IV

AIR TRANSPORTATION

Air transportation is the least developed travel mode in Region IV. There are sixteen airports serving Region IV Eight are classified as land strips, six as intermediate, and two as key airports.[3] Two of the airports are located in the North Dakota cities of Wahpeton and Fargo.

Four problem areas are apparent in air transportation in Region IV. They are: 1) a need for new airports; 2) up-grading of existing airfields and facilities; 3) the lack of scheduled air passenger service; and 4) limited finances.

The Need for New Airports. The Minnesota Aviation Department uses a standard of 30 minutes as the maximum dirving time that an airport should be located from an individual.[4] Applying this standard to Region IV, all persons except those living in parts of northern Wilkin, Otter Tail, and Becker Counties are within 30 minutes driving time of an airport. New airports are recommended at Barnesville and Pelican Rapids in the Minnesota Aviation System Plan. These two airports are needed to furnish service to persons in northern Wilkin, Otter Tail, and southwestern Clay Counties. The aiport at Park Rapids and a new one to be buildt at Mahnomen will serve northern Becker County.[5]

Up-grading of Existing Airfields and Facilities. Adequate air service and facilities are a factor in the growth and development of a community. The Minnesota Aviation System Plan project changes within the air service structure through the year 2000 in Region IV.[6] Guidelines for developing airport facilities and services related to projected changes, are suggested by the plan. The demand by communities in Region IV for improved airport facilities and services may vary from the projected changes in the State Aviation System Plan. Projects related to this demand should be approved when proper justification has been established.

The Lack of Scheduled Air Passenger Service. The airport at Fargo, North Dakota is the only airfield serving this Region with scheduled air passenger service. People from the southeastern part of Region IV are 100 driving miles from the Fargo airport. These people are equally as far from Brainerd, Minnesota or Watertown, South Dakota, the next closest airfields with scheduled air passenger service.[7] The benefits of fast travel by air are reduced by the long driving distances to airports with scheduled air passenger service.

The Minnesota Aviation System Plan identifies a potential commuter airline service system.[8] Alexandria and Detroit Lakes are expected to obtain this service by 1975, with Fergus Falls to be included between 1978 and 1987.[9] These cities are classified as Complete Shopping Centers (Borchert, J.R. and Adams, R.B.).[10] Each individual within a community benefits from a local aviation facility.[11] A recent survey of 500 U.S. firms revealed that eighty percent of the companies would not settle in a community where there is no accessibility to air transportation.[12] In this manner, industrial development and resulting growth in employment are a definite benefit to a community.[13] Based on the facts that the Region IV cities considered for commuter service are classified Complete Shopping Centers,

and the benefits of air service cited - a city that has attained status as a Complete Shopping Center should be considered for commuter air service. Breckenridge, as a Complete Shopping Center, then becomes the next Region IV city subject for consideration for commuter air service.

Limited Finances. Funds for airport services and facilities are available from local, state, or federal sources. Local funds are raised through bonding, general taxes, and airport user fees. State grants are available for 50 percent of the local cost of eligible projects. Federal grants are available for 75 percent of the total cost of eligible projects. Eligible projects include all items related to the operation of an airport. Access to additional funds could be obtained by cities and counties entering into joint venture agreements for airport support.

Policies

1. ESTABLISH NEW AIRPORTS AT BARNESVILLE AND PELICAN RAPIDS.

2. UP-GRADE EXISTING AIRFIELDS AND FACILITIES.

3. ESTABLISH SCHEDULED AIR PASSENGER SERVICE TO ALL CITIES CLASSIFIED COMPLETE SHOPPING CENTERS: DETROIT LAKES, FERGUS FALLS, ALEXANDRIA, AND BRECKENRIDGE,

4. INVESTIGATE ADDITIONAL LOCAL REVENUE SOURCES FOR AIRPORTS.

RAILROAD TRANSPORTATION

Use of railroads by business and the public has been declining due to competition from highway transportation. Recently, however, an energy shortage has caused fuel prices to increase. Consequently, railroads are attracting increased use because they utilize fuel more efficiently in moving people and produce than do air and highway travel modes.

Region IV has identified four problem areas relating to the railroad transportation system. They are: 1) the poor physical condition of many tracks and roal beds; 2) the availability of freight cars during grain harvest; 3) the limited availability of rail passenger service in the Region; and 4) the inconvenient arrival times of passenger trains.

The Poor Physical Condition of Tracks and Railroad Beds. Railroads are not able to provide optimum service to many communities because their tracks and road beds are in poor physical condition. The maximum speed allowable on many of the local branch lines varies from 20-45 mph. The east and west branch lines have the slower speed limits.[14] As railroad service deteriorates, communities utilize it less. Three cities; Millerville in Douglas County, Urbank in Otter Tail County, and Wolf Lake in Becker County, are without railroad service. Millerville also has the only grain elevator in Region IV not on a railroad line. Removal of railroad service to some cities is pending at this time. Lack of railroad utilization because of limited service finally results in rail line abandonment. Rail line abandonment should be discontinued in favor of programs that will improve and maintain the existing railroad system.

The Availability of Freight Cars During the Harvest Season. Local grain elevators have had a problem obtaining freight cars during the harvest season. There are three major reasons for this freight car shortage: 1) there is an insufficient number of freight cars available to meet shippers' needs during peak periods of demand; 2)poor utilization of existing freight cars; and 3) the current rate of return on freight car investment is not sufficient to encourage an increase in the level of investment.[15] The shortage of freight cars makes it difficult for farmers and agr-businessmen to take advantage of optimum market conditions that occur during the harvest season. Research is necessary to determine the most effective means of solving the freight car shortage problem.

The Limited Availability of Rail Passenger Service in Region IV. Four cities in Region IV - Moorhead, Breckenridge, Detroit Lakes, and Morris - are provided with rail passenger service by Amtrak. Daily service is maintained year around to each of those cities except Detroit Lakes. Detroit Lakes has a Monday, Wednesday, Friday schedule except during the summer tourist season when daily service is provided.[16] Fergus Falls and Alexandria have no rail passenger service. The demand for increased rail passenger service should be investigated.

The Inconvenient Arrival Times of Passenger Trains in Region IV. The Amtrak passenger trains arrive in Morris, Breckenridge, and Moorhead between midnight and four in the morning.[17] This is not convenient to the public. Consideration should be given to adjusting these times to encourage increased commuter use.

Policies

5. SUPPORT FINANCE PROGRAMS TO IMPROVE RAILROAD TRACKS AND ROAD BEDS.

6. SUPPORT A MORATORIUM ON RAIL LINE ABANDONMENT.

7. IMPROVE COORDINATION OF RAILROAD BOX CARS.

8. ADJUST ARRIVAL TIMES OF PASSENGER TRAINS TO MORE CONVENIENT HOURS.

HIGHWAY TRANSPORTATION

The federal, state, county, and township highway system provides the most extensive means for vehicle movement in Region IV

The highway system is used by private vehicles, buses, and commercial trucking companies. A good road system is necessary to provide each of these road users with a viable means of reaching an intended destination.

Five problem areas have been identified relating to highway transportation. These problem areas are: 1) the Minnesota Highway Department Backbone System; 2) the proposed Minnesota Highway Functional Classification System; 3) public highway transportation; 4) inadequate roads and bridges; and 5) financing of highway construction and maintenance.

The Minnesota Highway Department Backbone System. The Minnesota Highway Department has designated a number of state and federal roads as a Backbone System based on realistic financing of Trunk Highway projects for the next thirty years.[18] The Backbone System routes were selected to satisfy the following three objectives: 1) promote out-state economic development; 2) satisfy travel demands on major recreation routes; and 3) serve the maximum number of highway users.[19] The roads were selected by 1) determining the routes of highest importance interconnecting the major urban centers and connecting them with Minneapolis-St. Paul, 2) identifying the major recreation travel routes based on traffic count and roadside interview data, and 3) including the rural routes currently carrying an Average Daily Traffic volume of 3,000 or more vehicles.[20] Interstate 94 and United States Trunk Highway 10 are the only two roads in Region IV in the Backbone System.

The Backbone System fails to consider the movement of agricultural commodities to market. Agriculture is West Central Minnesota's major industry and an adequate highway network is necessary for cheap and efficient movement of agricultural products to market and agricultural services to the farm. Poor transportation will increase the cost of operation for the farmer and the cost of food to the consumer.

The Proposed Highway Functional Classification System. This classification system groups highways according to the kind of service they are intended to provide. Individual roads and streets do not serve travel independently.[21] Most travel involves movement through a network of roads.[22] It becomes necessary then to determine how travel can be channelized within the system.[23] Functional classification defines the channelization process by defining the role of any particular road or street in serving the flow of travel through a highway system.[24]

In the past, Minnesota has built and maintained highways between larger cities and towns in the state because of travel movement. Travel movement changes due to factors other than transportation such as economics. Some of the roads built to serve travel movements between larger cities are no longer being utilized to the extent they once were. These roads serve a lesser function now. The functional classification system labels the function of each road as it presently exists.

Federal and state priorities for financing of road projects will relate to the function of a road. The problem is that a road built and maintained with state and federal aid will have less priority for that aid if it now serves a lesser function of travel movement. Local governments are concerned about obtaining funds to maintain roads within their jurisdiction that will have a lower priority for state and federal aid. The Functional Classification System will take effect July 1, 1976. The significance of reduced state and federal highway aid to Region IV counties is apparent when comparing the old and new function classification systems (Figures 3 and 4). A means to adequately finance roads with reduced eligibility for state and federal funds should be investigated.

The original Highway Functional Classification System developed by Minnesota did not include designation of a Principal North-south Arterial through Region IV. A Principal Arterial is a road that will serve corridor movements having trip length and travel density characteristics indicative of substantial statewide or interstate travel.[25]

State Trunk Highway 59 should be designated a Principal Arterial as a major north-south route within Region IV. Without this designation, Highway 59 would have a lower priority for federal highway aid. This highway was chosen because it bisects Region IV north to south connecting the major cities of Morris, Fergus Falls, and Detroit Lakes. This route is one of two presently carrying the majority of north-south vehicle traffic within the region. The other route is State Trunk Highway 75 which closely parallels Interstate 29 in North Dakota.

A resolution including designation of State Trunk Highway 59 as a Principal north-south Arterial, was presented to the Minnesota Highway Department (see Appendix 1). The changes requested in the resolution have been approved by the Minnesota Highway Department except for that portion of Trunk Highway 29 from Trunk Highway 210 to Trunk Highway 10.

Public Highway Transportation. Four commercial bus firms; Greyhound, Jackrabbit, Zephyr, and Northwest Trails; operate within Region IV The bus routes radiate from Moorhead-Fargo through Region IV and reconverge as they approach Minneapolis-St. Paul. First, there is no north-south bus route that exists directly connecting cities along Trunk Highway 59. For example, a trip by bus from Fergus Falls to Detroit Lakes takes about 7 hours (connections are via Fargo, North Dakota). A private vehicle is more expedient for this trip.

Second, there is the need to provide transportation for people with specific needs such as handicapped persons or senior citizens. Transportation services of some type are being provided to senior citizens by communities in Region IV (see Table 2).[26] Moorhead should be encouraged in its mass transportation efforts. Additional research is necessary to determine the alternative means of providing transportation for people without access to private transportation.

Inadequate Roads and Bridges. First, the major deficiency of many highways is their inability to carry a legal load (9 tons per axle) during the springtime load restrictions.[27] Road design and construction to support 9 tons per axle is a standard developed by the Minnesota Highway Department to permit trucks with loads of this capacity to operate during spring load restrictions without danger of damage to the roadway. Cities in Region IV with only 7 ton or 5 ton roads (see Table 3) experience difficulty obtaining goods shipped by truck during spring load restrictions. This affects their ability to remain as viable economic centers. A road capable of supporting a minimum 9 ton axle weight is necessary to a town for industry and agriculture commerce.

Second, 552 bridges in Region IV cannot support the legal weights of vehicles on the roads leading to them (see Table 4). These bridges need to be up-graded or replaced by structures able to support legal vehicle weights.

Financing of Highway Construction and Maintenance. Developing and maintaining an adequate highway and bridge financing program is a prime concern in Region IV. The State Highway Finance Program is outlined on Table 5.[28] Local governments are most effected and interested in the funds portioned to them.

Table 2

Senior Citizen Transportation Services in Region IV

Organization	Type of Service
Becker County	Bus/Volunteer drivers
Clay County	Bus/Volunteer drivers
Pope County	Volunteer drivers
Wilkin County	Volunteer drivers
Otter Tail County	Volunteer drivers
Grant County	Volunteer drivers
Traverse County	Volunteer drivers
Stevens County	Volunteer drivers
Douglas County	None
Moorhead	Bus
Fergus Falls	Bus/Volunteer drivers
Glenwood	Bus

SOURCE: Area Agency on Aging, Transportation Systems Study. West Central Regional Development Commission, Fergus Falls, MN.

Table 3

Cities With Less Than Nine Ton Roads

County	Seven Ton Access Road	Five Ton Access Road
Becker	Wolf Lake	
Clay	Felton Hitterdal Ulen	Comstock
Douglas	Kensington	Millerville Forada
Grant	Barrett Hoffman Norcross Wendell	
Otter Tail	Dent Otter Tail City	Richville Urbank Dalton
Pope	Farwell Lowry	
Stevens	Donnelly	
Traverse	Tintah	
Wilkin	Campbell Nashua Tenney	

SOURCE: State and County Highway Department Load Limitation, 1975.

Table 4

INADEQUATE BRIDGES BY COUNTY IN REGION IV

State, Federal, and County Highway System

COUNTY	NO. OF COUNTY STATE AID BRIDGES	NO. OF INADEQUATE POSTED BRIDGES	NO. OF COUNTY BRIDGES	NO. OF INADEQUATE POSTED BRIDGES	TOTAL NUMBER OF BRIDGES
Becker	21	11	8	6	29
Clay	92	28	61	25	153
Douglas	25	1	9	2	34
Grant	8	0	13	0	21
Otter Tail	70	10	2	2	72
Pope	12	0	1	0	13
Stevens	11	3	6	4	17
Traverse	42	32	44	44	86
Wilkin	79	11	43	15	122
TOTAL	360	96	187	98	547

There are 5 inadequate bridges on State Trunk Highways

SOURCE: Minnesota Good Roads, Inc. The Roads of Region 4, A Profile. In cooperation with County Engineers, City Engineers, and Minnesota Department of Highways, St. Paul, Minnesota, 1975.

Table 5

Minnesota State Highway Finance Program

Fiscal Resources

Trunk system - Minnesota - financed from road user funds collected at the state and national level. At the state level, funds originate from fuel tax and motor vehicle registration.

Distribution:	To:
95% of the annual revenue	62% - Trunk Highway Fund 29% - County State Aid Highway Fund 9% - Municipal State Aid Street Fund
5% of annual revenue	70% - Trunk Highway Fund 21% - County Turnback Account 9% - Municipal Turnback Account

Miscellaneous fund sources:

Patrol fines Driver license fees Interest on investments	State
Motor fuel taxes Lubrication Oil Tires Tubes & retread rubber Heavy vehicle use New trucks Buses and trailers Truck and bus parts and accessories	Federal

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Source: Minnesota State Highway Department, The Highway Planning Process. St. Paul: March 1974

The road user funds (State gas tax, $0.07 per gallon) is collected at the wholesale point prior to distribution to local gas stations around Minnesota. Vehicle registration funds are turned in by each county. Cities and counties receive benefit of state funds where State Trunk Highways pass through their jurisdiction and for the percentages of the total funds allocated to them. Local governments also finance their roads and bridges through bonds, levies, and property taxes.

The County State-Aid Fund (29 percent of the road user fund) is divided among the counties according to a formula composed of four factors: 1) Equalization, 2) Registration, 3) Mileage, and 4) Money Needs.[29] Ten percent of the County State-Aid fund is allocated to the Equalization Factor. This is justified because it makes partial provision for needs such as administrative overhead costs and costs due to inter-county traffic.[30] Ten percent is allocated to vehicle registration to account for county road use.[31] Thirty percent of the funds are allocated in relation to each county's portion of the state's total miles of County State-Aid roads. Minnesota has allowed counties to designate a state total of 30,000 State-Aid miles.[32] The final fifty percent of the funds are allocated according to individual county need. County needs are defined as the estimated total annual costs of constructing, over a 25 year period, the County State-Aid highway system in that county.[33] The Money Needs Factor often allows a more sparcely populated county to receive more funds proportionately than a more densely populated county because sparcely populated counties often have a road system less developed than more populated counties.

The City State-Aid Fund (9 percent of the road user fund) is divided among the cities of 5,000 population or more according to a formula composed of two factors: 1) population and 2) needs. Fifty percent of the City State-Aid fund is allocated to the population factor. Each city receives a proportional amount equal to the percentage of its population compared to the total population of all such cities, villages, and boroughs. The remaining fifty percent is allocated to the need factor. Each city receives a proportional amount equal to the percentage of its money needs to the total money needs of all such cities, villages, and boroughs.[34]

State and local governments are presently facing increasing highway and bridge costs due to inflation. Two factors, increasing fuel costs for motorists, federal government policy aimed at reducing fuel use, have reduced total fuel use. This fuel use reduction has reduced revenue from fuel taxes. Research is necessary to determine improved means for obtaining highway and bridge maintenance and construction funds.

Highway costs are also rising because of the increasing number of government procedures that must be complied with while completing a project. A new road construction project may take as much as five years from the time a need is identified until project work is complete. Reconstruction projects often last a year and a half.[35] Government procedures should be up-dated by eliminating any unnecessary tasks.

Policies

9. PROVIDE INPUT TO ALL STATE AGENCIES INVOLVED IN TRANSPORTATION.

10. DESIGNATE A PRINCIPAL NORTH-SOUTH ARTERIAL HIGHWAY THROUGH REGION IV.

11. ESTABLISH COMMERCIAL BUS SERVICE ON STATE TRUNK HIGHWAY 59.

12. DETERMINE THE ALTERNATIVE MEANS OF PROVIDING TRANSPORTATION FOR PEOPLE WITHOUT ACCESS TO PRIVATE TRANSPORTATION.

13. PROVIDE TWO LANE ROADS, MINIMUM OF NINE TONS CAPACITY, TO ALL OF OUR CITIES AND TOWNS WITHOUT ONE.

14. CONSTRUCT ROADS THAT WILL CONFORM TO PRESENT-DAY HIGHWAY SAFETY STANDARDS.

15. CONTINUE COOPERATION WITH THE MINNESOTA HIGHWAY DEPARTMENT THROUGH OUR APPOINTED MEMBER TO THE STATE TECHNICAL ADVISORY COMMITTEE TO THE STATE HIGHWAY DEPARTMENT.

16. CONSIDER MOVEMENT OF AGRICULTURE COMMODITIES TO MARKET AND SERVICES TO AGRICULTURE COMMUNITIES IN HIGHWAY PLANNING.

17. ELIMINATE UNNECESSARY GOVERNMENT PROCEDURES.

RECREATION TRANSPORTATION

The State Recreation Plan identifies two recreation problem areas for Regional Development Commissions. These are: 1) identifying and 2)coordinating local recreation needs and resources.[36]

Identifying Local Needs and Resources. The State Recreation Plan has identified 262 miles of trails in Region IV. Recreation trail activities include hiking, bicycling, snowmobiling, horseback riding, cross country skiing, and snowshoeing.[37] The Minnesota Outdoor Recreation Plan identifies hiking trails as being sufficient, while snowmobile trails are short 551 miles for 1975.[38] Further needs and resources have not been identified for trail activities.

Coordinating Local Recreation Needs and Resources. Local recreation needs and resources are not being coordinated between counties at this time. A means by which to coordinate and identify recreation needs and resources should be established.

Policies

18. ESTABLISH A RECREATION SUBCOMMITTEE TO THE TRANSPORTATION ADVISORY COMMITTEE.

19. IDENTIFY LOCAL RECREATION NEEDS AND RESOURCES.

20. COORDINATE LOCAL RECREATION NEEDS AND RESOURCES.

Appendix 1

Highway Functional Classification System

RESOLUTION

WHEREAS: The 1990 Federal Functional Classification identifies the State Trunk Highway System by various classifications, namely, the Interstate System, Principle Arterials, and Minor Arterials; and

WHEREAS: The Principle Arterial routes as presently being proposed by the State Highway Department leave a considerable portion of Minnesota not being served by this classification of highway; and

WHEREAS: It is imperative to this portion of the state that certain improvements and identification of these routes by upgraded to further the economic development of this area; and

WHEREAS: Finance on recently proposed state bonding bills have restricted expenditure to the Principle Arterial System only; and

WHEREAS: It is the opinion of the Transportation Commission of Region IV. that the Principle Arterial System now being proposed should be expanded to include portions of T.H. No. 59, T.H. No. 28, T.H. No. 210, and T.H. No. 29, these portions further identified as follows:

T.H. No. 59 from Worthington to Marshall
T.H. No. 59 from Appleton to Thief River Falls and the northerly extension of that route to be as recommended by Region I
T.H. No. 210 from Fergus Falls to T.H. No. 29
T.H. No. 29 from T.H. No. 210 to T.H. No. 10
T.H. No. 28 from Sauk Centre to Browns Valley thence into South Dakota to connect up to Interstate No. 29; and

WHEREAS: The additions of these routes to the Principle Arterial System would connect the entire western portion of Minnesota with a north-south route in the case of T.H. No. 59; additions to T.H. No. 28 would afford an east-west route from Sauk Centre west to Interstate No. 29 and presumably connect up very closely with Sisseton, South Dakota; and in the case of T.H. No. 210 and No. 29 it would afford Breckenridge and Fergus Falls an east-west route to the Duluth area;

NOW, THEREFORE, BE IT RESOLVED: That the Minnesota State Highway Department consider making these additions to the Principle Arterial System now being proposed for the State Trunk Highway System so that this portion of Minnesota can be assured of a notable position within the Funcional Classification System, thus affording this portion of the state a better chance of achieving needed economic growth.

Vernon Korzendorfer, Chairman
Transportation Committee, Region IV

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3. Minnesota Department of Aeronautics, State Aviation System Plan, Phase # Technical Report. R. Dixon Speas Associates, (St. Paul, Minnesota, 1974), p. 3-3, 3-6.

4. Ibid., p. 5-3, Average driving speed is considered to be 45 mph.

5. Ibid., p. 6-27, 6-28.

6. Ibid., p. 6-3.

7. Ibid., p. 4-8.

8. Ibid., p. 4-9.

9. Ibid., p. 5-43.

10. Same as 2.

11. Same as 3, p. 5-48.

12. Ibid.

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14. Ray Lappegard, Address to West Central Regional Development Commission. (Fergus Falls, Minnesota, 1974), p. 6.

15. Minnesota State Planning Agency, Grain Transportation in Minnesota. (Transportation Planning Section, St. Paul, Minnesota, 1975), p. 47.

16. Amtrak Passenger Schedule, February 19, 1975.

17. Ibid.

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21. U.S. Department of Transportation, Highway Functional Classification, Concepts, Criteria, and Procedures. (Federal Highway Administration, 1974), p. 2-1.

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End Notes (Continued)

22. Ibid.

23. Ibid.

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29. Minnesota Highway Department, County State-Aid Highway; History, Apportionment, Accomplishment. (Planning and Programming Division, St. Paul, 1969), p. 5.

30. Ibid.

31. Ibid., P. 6.

32. Ibid.

33. Ibid.

34. Minnesota Highway Department, Municipal State-Aid Streets; History, Apportionment, Accomplishment, (Planning and Programming Division, St. Paul, 1970), p. 13.

35. Region IV County Engineers, 1975.

36. Bureau of Environmental Planning and Protection, Minnesota State Comprehensive Outdoor Recreation Plan 1974. (Minnesota Department of Natural Resources, St. Paul, Minnesota, 1974), p. 4-37.

37. Ibid., p. 6-13.

38. Ibid., P. 6-3.

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Mr. KORZENDORFER. Thank you for the opportunity today, Senators.

Senator BURDICK. You are giving it to us in a good, distinct, sharp way. Thank you very much.

Mr. MARZITELLI. Thank you very much.

Senator RANDOLPH. An excellent panel. I appreciate your coming across the line.

Senator BURDICK. We have the highway association's panel next, and Bud Murphy, president of the National Highway 281 of Jamestown.

STATEMENT OF F. E. MURPHY, PRESIDENT, NORTH DAKOTA HIGHWAY 281 ASSOCIATION

Mr. MURPHY. We humbly submit the following testimony in behalf of all of the highway users of the North Dakota highway corridor, U.S. 281, and the partically parallel U.S. 52 (Jamestown to Carrington, N. Dak.). Our U.S. Highway 281 is truly an international highway, extending from "The International Peace Garden" on the Canadian/American border, straight south through six States to Brownsville, Tex., on the United States/Mexican border. This U.S. highway has recently been redesignated as "The American–Canadian Legion Memorial Highway," dedicated to all deceased veterans of all wars. [See attached annex No. 1.]

In past years railroads were our primary sources of transportation, but with their eliminating of regular passenger service and less-than-carload shipments, necessitated that private haulers, farmers and commercial heavy-duty tractor-trailer haulers to depend on highway operated cars and trucks on primary, secondary, farm-to-market and township roads as their only means of survival in North Dakota to distribute their products and services. [See attached annex No. 2.] This lists at least 139 privately owned and commercial trucking firms that serve the U.S. Highway 281 and 52 corridor. Likewise, the railroads eliminated, except for very limited east-west Amtrak passenger service, this disruption necessitated immediate expansion of airlines and over-the-highways—local and transcontinental bus passenger services. Greyhound, Jack Rabbit and Jet-Base Shortway Bus Lines now serve the rail-starved U.S. 281 and 52 corridor. The Midland Continental Railroad, 68-miles long was abandoned. Our highways are practically the only means that we have of moving people and the vital commodity services needed for worldwide supplied food and fibre: Durum wheat, small grains, corn, cattle, hogs, farm machinery manufacturers, grain, gasoline, fuel oil and milk tankers, plus special permit wide-trailer-homes haulers, which includes explosives, Minuteman and ABM missile weapons—there are more nuclear weapons in North Dakota than in any of the other 50 States—and chemical—fertilizers and pesticides—haulers—these hazardous commodities require the best built heavy-duty, All-Weather 4-lane expressways for safety and positive movements on rural American highways that are available.

[See attached Annex No. 3—"What Highway No. 281 Means to You!"]

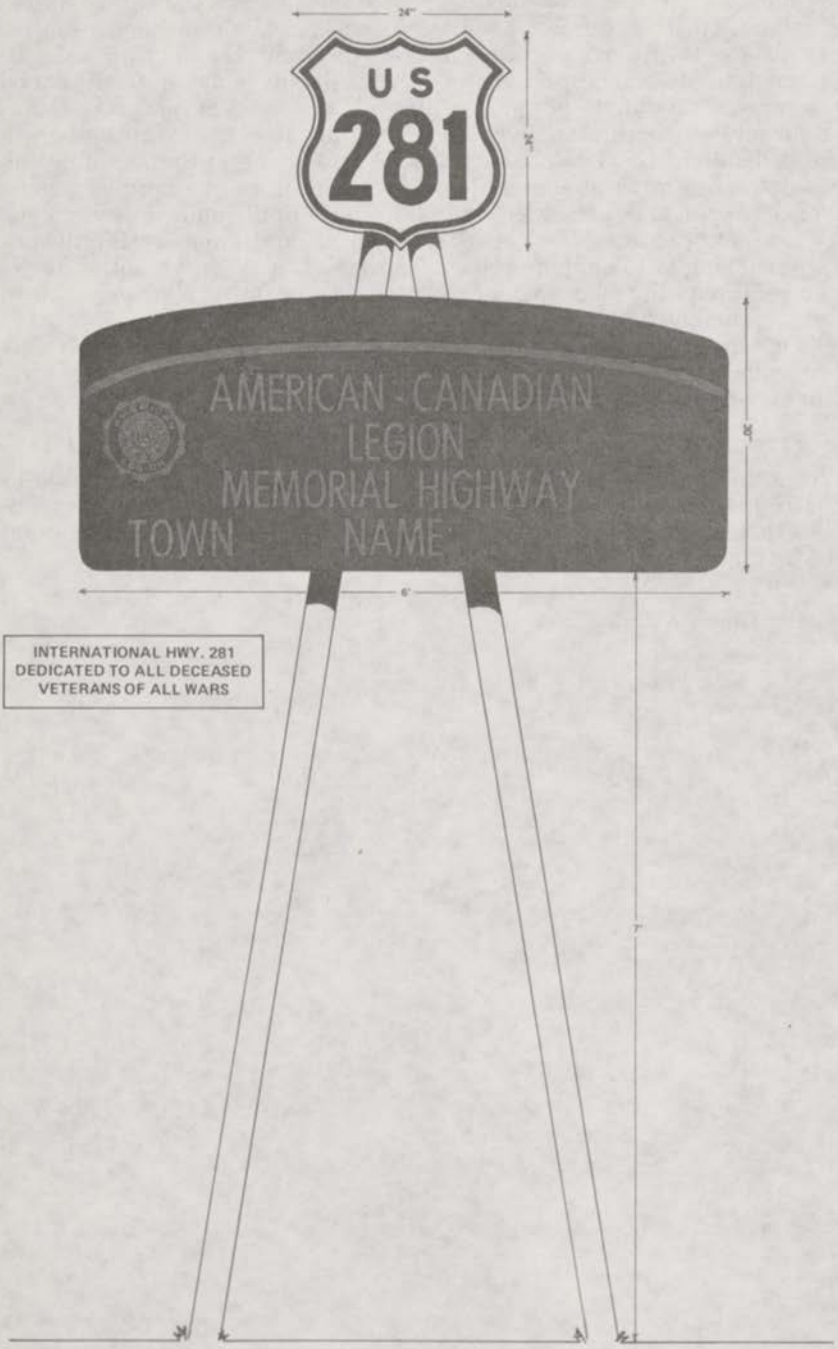
Mr. MURPHY. All-weather expressway highways are a "must," and our only sure means of moving people and performing vital services in rural America: buses for senior citizen's needs; 60-passenger school-buses for transporting rural children to larger central city schools; rural families and especially housewives being able to safely travel to large community shopping centers; U.S. Postal Service star-routes and rural mail carriers; wholesale-to-retail grocery, bread and fresh milk haulers; the United Parcel Service is doing an outstanding job of deliveries in rural areas, plus Greyhound lines hauling passengers, local freight and packages, including daily and Sunday newspapers. White Drug Stores, Dakota Bak-N-Serv., and Country-Boy Dairy are trucking vital human needs, every day of the year. Dakota Bak-N-Serv supplies the whole Minneapolis trade area out of their Jamestown plant; their eight U. S. plants make 580,000 loaves a day.

Our local bulk gas and fuel oil dealers, plus farm tractor tire dealers and mechanics must use our highways to service all farmer's requirements, regardless of what vital commodities they are producing or long mileages to their ranches or farms.

If we are being asked to help feed the world and to get our U.S. economy back down to earth with some stability—please provide us with adequate road-building Federal funds for vitally necessary all-weather highways in the rural American breadbasket—North Dakota.

[Attachments to Mr. Murphy's statement follow:]

ANNEX NO. 1


US
281
AMERICAN - CANADIAN
LEGION
MEMORIAL HIGHWAY
TOWN NAME
INTERNATIONAL HWY. 281
DEDICATED TO ALL DECEASED
VETERANS OF ALL WARS

ANNEX No. 2

LISTING OF 139-PRIVATE AND COMMERCIAL TRUCKING FIRMS

[Total=678 units]

	No. of units
Barnes County, N. Dak.:	
Roy Becker, Wimbledon	1
Leslie Brandvold, Kathryn	1
Gary Breske, Oriska	1
Bill Flatlie, Valley City	3
Duane Graalum, Kathryn	1
Leonard Hoffart, Eckelson	1
Gordon McFadgen, Valley City	1
Lowell Monson, Litchville	2
Nelson & Nelson Trucking, Kathryn	1
Anton Puhr, Fingal	1
Obert Sorby, Valley City	1
Ed Heinze Trucking, Dazey	5
Hoggarth Transport, Wimbledon	4
Michael Heinze, Dazey	2
Electrical Builders, Valley City	1
Frank Heinze, Oriska	1
Douglas Plecity, Valley City	2
Total	29
Benson County, N. Dak.:	
Randall Bergsgaard, Maddock	1
Gary Geske, St. Michael	1
Rice Trucking, Maddock	5
Clifford Sabbe, Maddock	2
Henry Streifel, Esmond	1
Lake Region Co-op, Maddock	6
Total	16
Cavalier County, N. Dak.:	
John Heppner, Munich	1
Alfred Moen, Nekoma	5
R. D. Sunderland, Milton	1
Wimpfheimer Bros., Cavalier	1
Murphy Bros., Sarles	2
Total	10
Dickey County, N. Dak.:	
Farmers Co-op Elevator, Fullerton	1
C. W. Grueneich, Ellendale	1
Krank Karas, Oakes	1
Thomas Casey, Forbes	1
Hill Trucking, Oakes	1
H. E. Jury, Ellendale	1
Schnell & Stites, Oakes	4
Seselus Bjur, Merricourt	1
Total	11
Eddy County, N. Dak.:	
Joe Fautsch, New Rockford	1
Gerald Forde, Hamar	2
Omoth Bros., New Rockford	2
Allen Zieman, Sheyenne	1
New Rockford-Fessenden Co-op Transport, New Rockford	1
Total	8

LISTING OF 139-PRIVATE AND COMMERCIAL TRUCKING FIRMS—Continued

[Total=678 units]

	No. of units
Foster County, N. Dak.:	
Ted Clark Trucking, Carrington	17
Bruce Farnsworth, McHenry	1
Charlie Gader, Glenfield	4
Elvin Gedrose, Carrington	1
Ray Hager, Carrington	4
Ervin Messmer, Bordulac	1
Keith Jensen, Carrington	1
Wilfred Hertel, Carrington	3
Carrington Housemovers, Carrington	6
Total	38
La Moure County, N. Dak.:	
Carl Erickson, Nortonville	1
John Frank, Edgeley	1
Gentzkow Trucking, LaMoure	6
Anderson Truck Line, Edgeley	1
Don Liebling, Marion	3
Priebe & Son, Edgeley	2
Total	14
Logan County, N. Dak.:	
Ed. Hehn Trucking, Gackle	1
Ben Radke, Fredonia	2
Kerdell Wittmier, Napoleon	5
A. Kaseman, Gackle	1
Total	9
McIntosh County, N. Dak.:	
Joe Weigel, Zeeland	1
Richard Klipfel, Ashley	1
Wilbert Rath, Wishek	1
Gerhard Kempf, Ashley	2
Christ Wolff, Zeeland	1
Jacob Alexander, Wishek	1
Myron Schlepp, Ashley	1
Otto Arnold, Ashley	1
Edwin Ley, Ashley	1
L. Boschee, Wishek	1
M. Wiest, Wishek	1
John Salwei, Zeeland	1
Total	13
Pierce County, N. Dak.:	
Paul Brossart, Rugby	2
John Paulson, Rugby	1
Fred Mitzel, Orrin	1
Ronald Fossum, Rugby	1
Hartley's School Buses, Rugby	1
Total	6
Ramsey County, N. Dak.:	
Clayton Barendt, Webster	1
Lake Region Auction & Livestock Market	1
Ronald Sparks, Edmore	1
Northwest Salvage Grain and Feed, Devils Lake	4
W. Bachmeier, Devils Lake	1
Don's Cab Co., Devils Lake	2
Total	10

LISTING OF 139-PRIVATE AND COMMERCIAL TRUCKING FIRMS—Continued

[Total=678 units]

	No. of units
Rolette County, N. Dak.:	
A. E. Armstrong, Rolette	1
Hyndman Trucking, Rolla	2
Kavli Truck Line, Rolette	7
Spencer Lund, Belcourt	4
John Myer, Dunseith	2
Total	16
Stutsman County, N. Dak.:	
Richard Brown, Montpelier	1
Wm. Graf Trucking, Streeter	5
Paul Koenig, Woodworth	1
Wm. Maulding, Montpelier	2
Melvin Noecker, Courtenay	1
S. & S. Wholesale Distributors, Jamestown	2
Art Perleberg, Jamestown	1
Calkins Trucking, Jamestown	2
Harold Beckman, Ypsilanti	1
Kamletz Moving, Jamestown	3
Yellow Cab Co., Jamestown	2
Jet-Base Shortway, Jamestown	2
Cleveland Trucking, Medina	2
M. Jablonski, Medina	1
A. Kuderling, Edmunds	1
Mayer Truck Line, Jamestown	16
Wiest Truck Line, Jamestown	2
Emil Graf, Streeter	1
Docktor's Trucking, Jamestown	2
Jerry Wescom, Jamestown	1
Charles Davis, Jamestown	1
Total	49
Towner County, N. Dak.:	
Adolph Johnson, Cando	1
Yoder Truck Line, Egeland	2
Rudolph Peyerl, Cando	2
Total	5
Wells County, N. Dak.:	
Harold Pellett, Fessenden	1
Ervin Tebelius, Harvey	1
Larson Ranch and Feed Lot, Sykeston	2
Milk Haulers, Harvey	1
B. & H. Trucking, Chaseley	1
Braunagel Truck Line, Chaseley	2
Wendelin Keller, Harvey	2
Kost Truck Line, Fessenden	2
Krause Truck Line, Bowdon	1
Albrecht Lumber & Supply, Harvey	2
Total	15
The following Firms are in addition to those listed above:	
Lewis Truck Line, Lisbon, N. Dak	10
Cenex Trucking, St. Paul, Minn	9
Transport, Inc., Moorhead, Minn	80
Dan Dugan, Sioux Falls, S. Dak	77
Century Mercury, St. Paul, Minn	14
Northern Tank, Miles City, Mont	38
Hart Motor Express, St. Paul, Minn	35

LISTING OF 139-PRIVATE AND COMMERCIAL TRUCKING FIRMS—Continued

[Total=678 units]

	No. of units
Midwest Motor Express, Bismarck, N. Dak	150
Wright Trucking, Jamestown, N. Dak	1
Suhr Truckline, Glendive, Mont	13
Total	429
Plus all of above totals	249
Grand total	678

ANNEX NO. 3

INTERNATIONAL HIGHWAY 281 ASSOCIATION "THE AMERICAN-CANADIAN LEGION MEMORIAL HIGHWAY"—WHAT IT MEANS TO YOU!

1. A perpetual memorial to the deceased veterans of all wars, who have died trying to preserve our precious freedoms.
2. Organized in the early 1930's to provide the shortest, safest, most convenient and economical 4-lane expressway route of highway travel from the interior of Mexico through the United States to Flin Flon, Canada.
3. Promotion of tourism by traveling on this excellent north-south international Canadian-American Legion Memorial Highway for both private, public and commercial uses.
4. Old West trail country: A great vacation land. *plus* the proposed Pan-Am International Highway paralleling U.S. Highway 281, starting at I–90 in South Dakota, through North Dakota—see the world's largest buffalo—the dream site for the University of North America, Civilian Service Academy. See the Jamestown Dam and Park campsite, the new Pipestem Creek 4,000 ft. dam northwest of Jamestown. Be sure to visit the geographical center of the North American continent monument at Rugby and the International Peace Garden at the United States-Canada border north of Dunseith.
5. Vacationers can enjoy motels, swimming, golfing, bowling, museums, camping, hunting, fishing, picnicking, cycling paths and relaxing hikes.
6. Provides year-round traveling rest area conveniences to all tourists, farmers hauling their products to markets, commercial haulers.
7. All-weather use improves chances for daily operations of school buses, rural mail deliveries in rural and urban communities, commercial buses.
8. Improves women drivers' security in getting to and from cities with large shopping centers, for necessary family medical needs, most clinics and multi-room general hospitals are located now about 100 miles apart.
9. National military importance: it links more than 20 military bases in the center of the North American continental defenses.
10. We're all working for better local community relations through improved bypasses and safer 4-lane express highway facilities.
11. We recommend and hopefully urge you to join, support and display the International Highway 281 Association certificate and membership decals. It's good for you and your business.
12. Visit your International Peace Gardens on Highway 281—meet your hometown people and greet and meet our Canadian good neighbors.

Senator BURDICK. We have another north-south road here. Welcome to the committee, Mr. David.

STATEMENT OF RAY DAVID, HIGHWAY 85 ASSOCIATION

Mr. DAVID. I would like to present my testimony.

Surface transportation is the most important factor in North Dakota economic and urban existance. Considering the lack of transportation, rail, air, and bus to many parts of our State, it is even more important for our surface transportation to be as effective as possible.

Before I get too far into my presentation let me assure you the North Dakota Highway Department, under the direction of Commissioner

Walter Hjelle has been very cooperative and especially effective in maintaining and improving the State highway system with the funds available. Please do not accept my analysis as being critical of the North Dakota Highway Department or Mr. Hjelle's capabilities.

The population trends in North Dakota reflect a consistent trend since the early 1940's—a decrease from the counties, which are generally rural, and increases in the counties with North Dakota's 12 major cities.

The traffic count figures show us there is more travel than ever before. There are two reasons for this primarily, one; we have more vehicles; two, and more important, what used to be rural populace now commutes from their urban residence.

Our farmers and ranchers produce more cattle, more grain, more food—even though we have less farmers and ranchers living on their original homesite, than a few years ago. This commuting alone should be of vital concern for all of us to strive with more vigor for modern and improved highways in a State as sparsely populated as North Dakota.

North Dakota on the national level led all other States in the production of durum wheat, spring wheat, barley and flaxseed. On the average North Dakota ranks fifth with all other States in the production of all wheat, oats, barley, rye, silage, corn, sunflower, flaxseed, potatoes, sugar beets and all types of hay. More than one half billion tons of our Nation's production comes from the North Dakota farms.

North Dakota's estimated number of farms in 1973 is 42,000—the average farm is 993 acres—producing near 5 million head of cattle, swine, and sheep in addition to their grain and food production.[1] The production from rural North Dakota agriculture commodities represents several billions of dollars to North Dakota and much more to the United States or the world.

In order for the farmer and rancher to deliver their production to market in all types of weather, during all seasons, the efficiency of our surface transportation is not a problem for only North Dakota's citizenry.

Therefore, in our attempt to be even more helpful to the U.S. Public Works Committee on Transportation and further point out the traffic count on U.S. Highway 85 has increased considerably in the southern part of the State where it enters South Dakota and in the north where Highway 85 connects with our neighbors in Canada . . . As pointed out, the same holds true for U.S. Highway 2 across North Dakota from the Minnesota line to the Montana line.

For the past 10 years we in North Dakota have witnessed how beneficial I–94 is to the southern part of our State, again we must commend the North Dakota Highway Department for being the first in our region to complete I–94 all across the State. Thanks to the support of the U.S. Public Works Committee on Transportation and the funds on 90/10 basis otherwise I–94 would have never become a reality.

And now we encourage a committed schedule to four-lane U.S. Highway 2. I have refrained from quoting excessive statistics in fear

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[1] 1972 Annual Summary Crop and Livestock Statistics, North Dakota State University Department of Agriculture Economics.

of sounding confusing—the important point being North Dakota is in the position of needing more funds available for all highway improvements from the industrial oil fields to agriculture, recreation, ecological, modernization and safety.

Highway improvements are necessary to effectively serve all our civilian needs as well as defense during times of national emergencies. Thank you.

Senator BURDICK. The next witness is Henry Byorum, President of the North Dakota Wildlife Federation.

STATEMENT OF HENRY M. BYORUM, PRESIDENT, NORTH DAKOTA WILDLIFE FEDERATION

Mr. BYORUM. Mr. Chairman, members of the subcommittee on Transportation. I am Henry Byorum, president of the North Dakota Wildlife Federation. My subject is pheasants, waterfowl, wildlife, and highway rights-of-way. Since my paper is somewhat lengthy, I will cover salient points. Complete copies and the supporting attachments have been provided the committee chairman.

We request that the March 1975 U.S.F. & W.L.S. "Task Force Report on the Effects of Road Construction on Wetland Wildlife Habitat" together with the other attachments to this discussion, be made a part of the written report of this hearing. (See p. 172)

Recently the North Dakota State Highway Department has considered mitigation and enhancement measures for future construction projects that will be highly beneficial to many wildlife species. That agency is commended for these positive management steps. Furthermore we realize the highway department has set aside some highway segments for the primary purpose of wildlife enhancement, and perhaps this is their initial approach to a comprehensive management system. We surely hope so, for it has long been overdue.

Let me make it clear at the outset and from an overall point of view, neither current practices of road construction nor the management of our highway rights-of-way is particularly compatible with the production of wildlife. However, and as I will point out later in this presentation, with proper planning and effort, road construction and road rights-of-way can be of great significance to the wildlife resource of our State.

Our highway department has in the past few years, given this Federation the opportunity to comment on environmental impact statements dealing with projected highway improvements. In our reviews of these statements, it is my conclusion that considerations of engineering and money costs are paramount and take priority over the considerations of land requirement and wildlife habitat. Take for example the proposed 70-mile expansion of U.S. Highway 2 from its current two-lane to that of four-lane highway from Berthold just west of Minot, to Ray, N. Dak. Four possible choices for the expansion are presented in the EPI statement, that is, use the current route, or alternates, one, two, or three. A portion of our Federation comments on this highway improvement states:

> From examination of the statement and a first hand knowledge of the area under consideration, it is apparent that the least environmental disruption of wildlife habitat and need for additional agricultural land will occur if the present (existing) rights-of-way is chosen for the entire length of the improvement.

Commenting on this same project the U.S.F. & W.L.S. stated:

> The project is located in a portion of the best remaining wetland habitat on the continent; because of irreplaceable habitat losses which will take place under either of the present alternates, we recommend that consideration be given to utilizing the existing rights-of-way for the entire length of the improvement.[1]

Unfortunately, choice of the existing rights-of-way as recommended was not the final choice of the highway authorities.

The major impacts of highway construction result from the removal of habitat types. Equal consideration to avoid or at least minimize these losses should be given to all types whether they are on private or public lands. For example extensive drainage of wetlands from private land is now occurring as the result of road construction and we estimate a 200,000 total acre wetland loss over the recent past directly attributable to this construction in North and South Dakota plus Minnesota. The practice is widespread in our State. Some outstanding examples serve to describe the magnitude of this problem. In 1972, 580 acres of wetlands were estimated to have been influenced (partly or wholly drained) on 26 miles of State Highway 17 in Ramsey County. A nearby county road (also 26 miles) had 162 wetlands totaling 446 acres similarly affected. One 6-mile long project near Page, N. Dak., resulted in an estimated loss of 1,000 acres of wetlands, also in 1972.[2 3 4] Less obvious a threat than ditches dug solely for drainage, highway road ditches have become drainage outlets within easy reach of most landowners.

As a necessary part of highway construction, roadside ditches are shaped so that runoff waters reaching the right of way will move to the nearest creek or river; or if not, ditch level is so low, the wetland is destroyed by draining into the roadside. These ditches provide tailor made drainage outlets for fields and wetlands adjacent to roadways, providing a network of drainage ditches embracing much of the State and constructed with the highway trust dollar. Needless to say they not only destroy the wetlands but also contribute to flood, pollute the waters with pesticides, nutrients and towards siltation of the streams. Other habitat types to be considered and compensated for due to highway construction include the loss of woody and herbaceous cover to include that on private adjoining property to the construction sites. Also and of great significance is that rights-of-way mowing must be conducted on a managed basis compatible with production of wildlife; and the rights-of-way should be seeded to a herbaceous cover which will maximize the benefits to it.

Now let us turn to the current practice of management of our North Dakota road rights-of-way. As habitat dwindles from private lands, rights-of-way management becomes a necessity. An estimated 200,000 acres of federally funded rights-of-way in North Dakota could be managed to benefit many wildlife species. In many parts of the State the only prairie available is along roadways and undoubtedly, rights-of-way have provided grassland that was not

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[1] Environmental Statement, U.S. Department of Transportation, Federal Highway Administration and North Dakota State Highway Department, "Improvement of U.S. Highway No. 2 from Ray to Berthold in the Counties of Williams, Mountrail, and Ward, State of North Dakota; administrative action for F-7-002( ) 054 and F-4-002( )089, June 26, 1974.

[2] "Highway Ditches Used to Destroy Wetlands", Wildlife Management Institute, 8-18-72. Attachment.

[3] "Task Force Report on Effects of Road Construction on Wetland Wildlife Habitat", March 1975, USF&WLS, Federal Building, Twin Cities, Minn. 55111. Attachment.

[4] "Prairie Potholes", Keith W. Harmon.

previously available. This has been beneficial even with the present indiscriminate mowing practices, but the potential to significantly contribute to the wildlife resource, through prescribed mowing methods has been for all practical purposes neglected. The State highway department has generally reduced its mowing to the inslopes, which is good. However the real problem is that there is almost no control at all of mowing by individuals, except on the interstate highways. We realize landowners lose their land to road projects; however, they are compensated for their loss and roads become public property. This mowing far exceeds what is necessary for legitimate maintenance needs, including the prevention of snowdrifts on roads. Haying is done for personal gain and mowing takes place before August 1 most of the time. The result of this is that very little roadside cover remains in North Dakota each year for winter cover and of even greater significance, for nesting cover in the following spring. Many birds that do nest on roadsides fall victim to the mower before hatching time, when mowing takes place prior to August 1.

North Dakota Highway Commissioner Hjelle recognized the significance of managed mowing this past spring when he requested through the news media a date to begin the mowing operations. If the haying were to take place subsequent to August 1 of each year, this in itself would be of tremendous value of the prairie wildlife communities. The optimum mowing situation should however call for idle cover available over a 4-year basis; then mowing for hay on a rotational basis as a game management tool and under control of game managers in coordination with key personnel of the highway department. Undoubetedly, this management system will require additional expenditures for administrative costs, signing and possibly enforcement, but these costs are small compared to the predicted benefits. Any examination of the allocation of Federal highway trust funds should consider appropriation for these purposes.

Road rights-of-way often represent a high percentage of the total grass cover present over large areas of the prarie pothole region of North Dakota. That birds do nest in large numbers on unmowed rights-of-way can be illustrated by a recent study conducted by the Northern Prairie Wildlife Research Center, Jamestown, North Dakota. Four hundred fifty-one duck nests were located along a 23-mile North Dakota segment of I–94 rights-of-way during a period of 1969–72. The study area encompassed 630 acres of I–94 rights-of-way and was conducted in cooperation with the North Dakota Highway Department. Duck nest densities ranged from 5.6 nests per 100 acres to 32.4 nests. This can be compared with similar data for nearby areas where duck nest densities averaged from .4 nests per 100 acres on summer fallow fields to .76 nests on standing stubble fields. The I–94 roadside nest study also illustrates the potential for benefitting waterfowl by leaving rights-of-way grass cover unmowed. Duck production in the idle cover portion of the rights-of-way (unmowed portion) was 1.9 times that in the mowed cover of this study area.[5] Presumably loss from predation was much lower on the unmowed portion of the study area also. Of great interest is the fact that the more desirable and larger species of waterfowl

[5] North Dakota Outdoors, No. Dak. Game and Fish Department, August 1970, pages 4 through 7.

nested much more intensely in the unmowed portion of the study area; for example the mallard a very desirable duck, nested to the tune of 89 percent in the unmowed portion, with only 11 percent nesting in the mowed portion of the study area. As a collateral benefit of this study area all of our wildlife prospers in such an environment and especially the pheasant. I mention the pheasant specifically because of the widespread interest among our North Dakota sportsmen in the restoration of this bird to the abundance of only 20–30 years ago. Incidentally the Illinois Game and Fish Department and the Colorado Department of Natural Resources recently concluded studies,[6] which dealt with the production of wild pheasants on unmowed portions of road rights-of-way; the results are most impressive and indicate that pheasants as well as waterfowl prosper under properly managed roadside conditions. In the case of the Colorado study [7] the conclusion is reached that roadsides containing permanent cover yield as much as 20 times the number of pheasants than do wheat fields. The North Dakota Game and Fish Department has also shown what can be accomplished in terms of pheasant populations if only the game manager is given the necessary land. On one moderately sized State Game Management area, annual wild pheasant population is about 2,500 pheasants; yet the area is one of the most intensively hunted areas of our State.

Now let us address these comments to where the 200,000 acres of North Dakota federally fund supported road rights-of-way could become a very decided plus factor for our pheasant population. As stated a moment ago there is widespread State interest in restoration of this bird to previous high populations. In fact there's so much interest that the recent State legislative session considered a resolution for looking into the possibility of raising and releasing the pheasant from our State pen. Such an approach while commendable has little merit from an economic point of view as it has been well documented that raising game birds for general release is too expensive per bird in the bag; nor can either the wild bird or that domestically reared live and reproduce without the proper habitat. Only 30 years ago five of us legally shot 30 wild rooster pheasants, just north of Minot in an hour and only 200 to 300 feet from Highway 83. Today one is lucky to find 30 birds in our entire county; I assure you that hunting pressure had nothing to do with the birds disappearance. The disappearance of the bird can be attributed primarily to the loss of it's habitat, the weed patches, the fence rows, vegetated road rights-of-way, and of overriding importance a suitable place to nest. In those days there was an abundance of top flite habitat along our roads, the fence rows of our farm lands. Our conversion to a monoculture small grain economy, intensive grazing practices, clean farming, have eliminated the previous essential nesting cover which resulted in the fabulous pheasant populations of the very recent past. Today we do not have the necessary habitat and we need to create a suitable environment if we are to see these fabulous wild pheasant populations once again. The road rights-of-way can play a very significant role in such a return.

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[6] Monthly Wildlife Research Letter, Department of Conservation and Natural History Survey, Urbana, Illinois, Vol. 17, No. 12, December, 1974.

[7] "Seeding Roadsides for Pheasants Nesting Cover", Game Information Leaflet No. 99, Colorado Department of Natural Resources, Division of Wildlife.

At this point I would like to call your attention to a very fine book and study published by the Wildlife Management Institute entitled "Pheasants in North America".[8] The book is a compilation of up-to-date information of the habitat needs of the bird. At page 213 it is pointed out that "Nesting cover, frequently deficient and always difficult to supplement, can be almost any herbaceous growth, this year's or last, which provides concealment in April and May." Note at this point the emphasis placed on early nesting cover—if we mow and hay in the summer and fall months as currently practiced on our rights-of-way, then there is no nesting cover in the subsequent early months, the following spring. The book also points out—page 260—the need for winter habitat but as revealed from studies in the Dakotas states that, "Compared to other habitat requirements winter cover is a relatively simple requirement to supply; the text stating that 5 acres of properly located cover area will accommodate 500–1,000 pheasants. It also emphasizes that nesting cover on the other hand is a more difficult habitat need as pheasants are distributed quite evenly over their entire range during summer months. It appears logical to conclude that if properly managed the road rights-of-way offer a very significant potential for providing this essential nesting cover.

Several steps must be taken with regard to road rights-of-way if we are to exploit this potential for wild pheasant production. However keep in mind the concurrent potential for increase in waterfowl production as mentioned earlier in the discussion. First, all federally fund supported right-of-ways must be set aside by Federal law for primary wildlife purposes; mowing should be discontinued except for game management purposes and snow control; hay production should be a secondary purpose only. This program should include all of the many miles of our State and county roads that receive Federal funding support as well as the Federal highways. Federal law must also dictate that eventually all of these rights-of-way be seeded to a vegetation which will produce suitable cover for nesting in the early spring months and some winter feed in the winter. One game manager I know recommends a 2-pound alfalfa, 6-pound intermediate wheatgrass, and a 2-pound tall wheatgrass mixture, as ideal for pheasants, waterfowl, and all wildlife. Next and of very great importance, all mowing of road rights-of-way except at in slope level, must be discontinued year around. There will of course need be selective mowing to fit unusual situations, for game management purposes, and the need for snow management. This mowing can be utilized for hay production with such mowing taking place not earlier than 1 August. In lieu thereof, and a far better approach might be living type snow fences planted at critical points based on prevailing winds. Herbicides use should be discouraged; in this connection the Colorado study[7] states "numerous stands of grass were observed completely weed free. In the long run, maintenance of perennial cover is probably much cheaper than other weed control techniques now used." Finally the game manager need be given a free rein in coordination with key highway personnel.

If we will dedicate our federally fund-supported rights-of-way to pheasant production and all wildlife, it is our belief backed up by

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[7] See footnote 7, p. 169.

[8] "Pheasants in North America", Durward L. Allen, The Stackpole Company, Harrisburg, Pa.

factual information, that a first step will have been taken towards the restoration of good numbers of the bird to our State; nor will we downgrade the primary purpose of our roads. Such action will require Federal direction, possibly some departure from current highway engineering norms, commonsense, dedication, and cooperation between game managers and key highway department personnel. Implementation of this plan may cost some Federal trust dollars. Yet the economics of such a proposal can be justified by examining the money spent by hunters who also buy car licenses, pay gasoline taxes, and pay much in their expenditures for other goods and services. Locally no study on the matter has been made. However studies have been made in other States, for example New Jersey. In that State recent studies revealed that over $31 million per annum is spent by some 160,000 hunters in the pursuit of all wild game. For the pheasant the expenditure is $19.85 per bird bagged.[9] Incidentally North Dakota sold about 100,000 hunting licenses last year. Surely the pheasant hunting in North Dakota that was prevalent 30 years ago would mean much in terms of dollar economic return; the federally funded supported roads of our State would take on a new meaning—not just that of travel from one point to another.

In summary our federally funded supported county, State and Federal highways and roads constitute a great potential for wildlife production, for restoration of the pheasant to the fabulous populations of the recent past, for production of large numbers of waterfowl. What is necessary and essential is Federal direction, an Executive order, Department of Transportation policy, possibly legislation; in essence the requirement that State and local governments maintain road rights-of-way integrity for optimum wildlife production. Additionally the Federal Highway Administration should prescribe changes and policies in design standards to prevent the indirect and unauthorized drainage of our wetlands;[10] in this connection bottom elevations of wetlands should be considered at least 1 mile on each side of the highway projects. Overall management of this program must be at the direction of game managers in coordination with key officials of our highway department. Finally failure to comply with the concepts which have been outlined, should result in loss of Federal Highway Trust Funds; it is wishful thinking to believe that any other approach will attain the objectives of such wildlife production.

The adverse effects of highway construction in North Dakota is receiving national publicity. In discussing the matter with our parent organization, the National Wildlife Federation, we find this has helped inspire them to testify in favor of a diversion of funds from the Highway Trust Fund.[11] Those of us in North Dakota recognize that a diversion of these funds to urban transit could be detrimental to our State; but we also believe that a lack of environmental considerations are even more damaging to North Dakota.

Thank you for your kind attention. Are there any questions.

Senator BURDICK. Thank you very much. You raised a very interesting point for nesting grounds. Although, as you know, the

[9] "Commissioner's Corner", January 1970, Flickertales, N. Dak. Wildlife Federation, Box 1694, Bismarck, N. Dak. 58501

[10] Draft, Federal Highway Administration Policy On The Nation's Wetlands, Federal Highway Administration, Washington, D.C. Attachment.

[11] News Release, National Widlife Federation, Washington, D.C., July 5, 1973.

States have primary responsibility for maintenance. Wondering what power the Federal Government had on roads already built.

Mr. BYORUM. Well, Senator Burdick, I don't know. I'm not that high level in the terms of—it seems to me, though, that the Federal Government at least as their starter, can stipulate to the Department of Transportation policy, possibly the Executive order, someplace up the Government, can be done. I don't know the necessities of all these things or refinements of your programs, Senator.

Senator RANDOLPH. We can explore this possibility.

Senator BURDICK. We certainly will.

Mr. BYORUM. But it is very, very significant and I believe very—believe firmly in it. I know a lot of fellows say they do also. Thank you for your attention.

[Attachments to Mr. Byorum's statement follow:]

[From Wildlife Management Institute, Aug. 18, 1972]

HIGHWAY DITCHES USED TO DESTROY WETLANDS

While the Agriculture and Interior Departments are using public funds to preserve the wildlife values of natural wetland habitat, other taxpayer money is being spent to construct roadside ditches that promote wetland drainage, according to the Wildlife Management Institute.

Conservationists in North Dakota report that the use of Federal-aid highway roadside ditches as drainage outlets is one of the greatest if not the greatest, problems in maintaining critical wetlands. More than 400 individual wetlands recently were drained into newly constructed highway ditches near Page, N. Dak. Observers say that this wetlands destruction was made possible by lowering the roadside ditch during rebuilding of 6 miles of Federal-aid road.

Considerable amounts of taxpayer and sportsmen's funds are being spent to preserve the disappearing wetland resource through the water bank program, the Bureau of Sport Fisheries and Wildlife wetland acquisition program, and State wildlife department acquisition programs. Yet a massive system of drainage outlets provided with other taxpayer funds is discounting these efforts. To date, officials have not filed environmental impact statements on the construction projects as required by the National Environmental Policy Act of 1969.

FEDERAL HIGHWAY ADMINISTRATION POLICY ON THE NATION'S WETLANDS

ADMINISTRATOR'S DECISION STATEMENT NO. 1

Subject: FHWA Policy to Protect the Nation's Wetlands.

Purpose: It is the FHWA's policy to preserve wetland ecosystems and protect them from destruction through the development or maintenance of Federal Aid transportation system plans and programs.

THE WETLAND RESOURCE

A. Wetlands represent a unique ecosystem important to the citizens of this nation. As a result, they require extraordinary protection. Comparable destructive forces inflict more lasting damage to wetlands than to other ecosystems. Through this policy statement, FHWA establishes appropriate safeguards for the preservation and protection of the nation's wetlands.

B. The nation's wetlands, consisting of marshes, swamps, bogs, and other periodically inundated low-lying areas, are a unique, valuable, and irreplaceable resources. They serve as essential resting, feeding, and breeding habitat for waterfowl, shore birds, fur-bearing mammals, and many species of fish. They are the life support system for many delicate and irreplaceable specimens of fauna and flora, some of which are endangered. Such areas also moderate extremes in water flow, aid in the natural purification of water, and maintain and recharge groundwater resources.

C. Freshwater wetlands support adjacent or downstream aquatic ecosystems in addition to that within the wetland basin. The relationship between freshwater wetlands and subsurface environments is symbiotic, intricate, and fragile.

In tidal wetland areas, tides tend to redistribute nutrients and sediments throughout the tidal marsh. These, in turn, form a substrate for the life forms of the tidal marsh. These marshes produce large quantities of plant life that are the source of much of the organic matter consumed by shell fish and other aquatic life in associated estuaries.

POLICY

A. In its decision process, it shall be the FHWA's policy to give careful consideration to any proposal that has the potential to damage wetlands so they may be preserved, protected, and enhanced. The decision shall reflect the FHWA's recognition of the irreplaceable value of the wetland resource and man's dependence upon its broad range of environmental qualities.

B. The protection of wetlands requires the proper location and management of all highway facilities plus controls to avoid significant disturbance of the terrain or impairment of wetland qualities. The design, construction, and maintenance of roads in the national highway system shall not deliberately or inadvertently contribute to the unnecessary destruction or alteration of wetlands.

C. It shall be the FHWA's policy to minimize alterations in the quantity or quality of the natural flow of water that nourishes wetlands and to protect them from drainage or filling practices.

Steps shall be taken to formulate regulations to assure that the design, construction, and maintenance of roadside ditches, culverts, and related facilities does not aid or stimulate drainage of wetlands. Wherever highway development provides adjacent landowners with the opportunity to drain wetlands into roadside ditches, suitable ditch plugs or other means to prevent this practice shall be installed and maintained.

D. In compliance with the National Environmental Policy Act of 1969, it shall be the FHWA's policy to withhold Federal funds for construction, alteration, or maintenance of highway corridors and all related bridge, overpass, interchange, or bypass facilities which may interfere with wetland ecosystems except where no other alternative of lesser environmental damage is found to be feasible.

In the application for such Federal funds, an assessment will be required from the applicant that delineates the various alternatives investigated for the control and/or retention of existing wetlands in an undisturbed condition including the reasons for rejecting those alternatives not used. A cost benefit appraisal should be included where appropriate.

E. To promote environmental protection, it shall be the FHWA's policy to advise those applicants who propose to develop or maintain highway facilities under a Federal grant program that the selection of the most environmentally protective alternative shall be made. The Department of the Interior will be consulted to aid in the determination of the probable impact of highway location and design on wetlands and associated fish and wildlife resources.

In the event of projected significant adverse environmental impact, a public hearing on the wetland issue may be held to aid in the selection of the most appropriate action. If major environmental issues are not resolved, the FHWA may elect to recommend against issuance of Federal grant support.

IMPLEMENTATION

FHWA will apply this policy to the extent of its authorities in conducting all program activities, including the administration of all construction and maintenance grant programs.

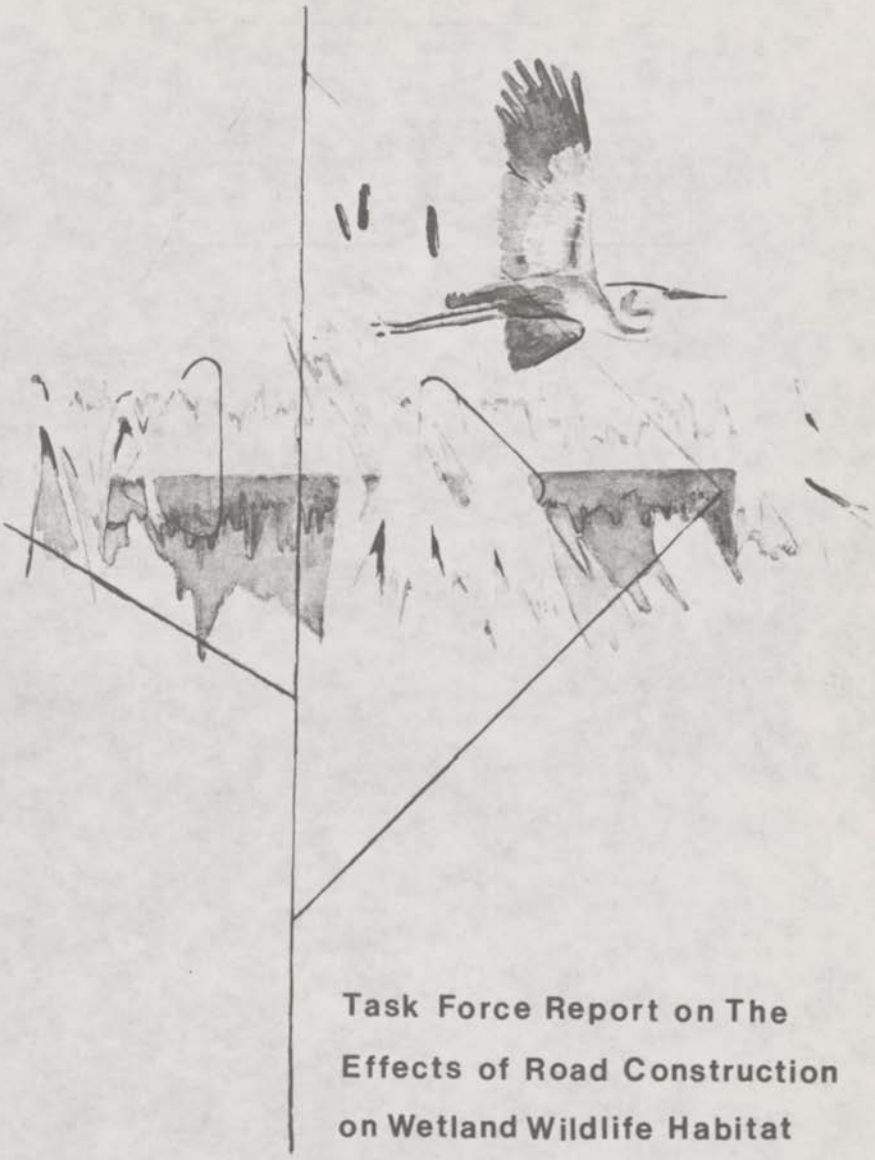
MAJOR NEEDS FOR WILDLIFE ON NORTH DAKOTA HIGHWAYS

1. Prohibit the use of rights-of-way for drainage outlets (except in parts of the Red River Valley).

2. Buy and develop areas to compensate for all significant habitat losses, especially woody cover and wetlands. Dedicate excess lands to wildlife and develop wetland areas where possible.

3. Manage the herbaceous cover on the 200,000 acres of Federal Funds supported rights-of-way to benefit wildlife, especially pheasants and waterfowl.

4. Give important environmental considerations precedence over political economic and engineering considerations on major projects, such as U. S. 2 from Ray to Berthold.



Task Force Report on The Effects of Road Construction on Wetland Wildlife Habitat

As the Nation's principal conservation agency, the Department of the Interior has basic responsibilities for water, fish, wildlife, mineral, land, park, and recreational resources. Indian and Territorial affairs are other major concerns of this department of natural resources.

The Department works to assure the wisest choice in managing all our resources so that each shall make its full contribution to a better United States now and in the future.

TASK FORCE REPORT

on

EFFECTS OF ROAD CONSTRUCTION

ON

WETLAND WILDLIFE HABITAT

UNITED STATES DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE
FEDERAL BUILDING, FORT SNELLING
TWIN CITIES, MINNESOTA 55111

MARCH, 1975

ABSTRACT

Highway construction in the north central United States threatens vast numbers of wetlands. As a part of highway construction, roadside ditches are often shaped so that runoff waters reaching the right-of-way will move to the nearest creek or river. These ditches provide drainage outlets for fields and wetlands adjacent to the roadway, resulting in a loss of valuable wetlands. It is estimated that 99,292 acres of wetlands were drained in 19 counties of western Minnesota as a result of road construction. Recommendations are made to reduce these losses.

Task Force Members:

William Daugherty
Jerome Decker
Carl Madsen
Raymond St. Ores
Norrel Wallace



Waterfowl depend almost entirely on wetlands for their existence.

INTRODUCTION

International treaties and congressional mandates charge the United States Fish and Wildlife Service with perpetuating North American waterfowl populations for the benefit of man. To meet this obligation, the Service enforces Federal laws relating to the protection of wildlife, operates the National Wildlife Refuge System, conducts a program of wildlife research, monitors environmental activities which may adversely affect wildlife habitat, and conducts fish and wildlife programs for the long term use and enjoyment of our wildlife resources.

This report concerns loss of wetlands as a result of highway construction and improvement, as a continuing effort to monitor trends in wildlife populations and habitat conditions.

BACKGROUND

In 1934, this Nation had 120 million acres of marsh and wetlands suitable for ducks. By 1960, there were only 30 million acres left. Present high farm prices and projected food shortages have increased the rush to cultivate every possible acre of land and have increased wetland drainage to its fastest pace, making preservation of remaining wetlands increasingly difficult.

Waterfowl depend almost entirely on wetlands for their existence. Lowlands covered by shallow water -- sometimes temporarily or intermittently -- are wetlands. The pasture pond is a wetland. The vast coastal marshes are wetlands. The mountain beaver meadow is a wetland. The river bottoms of the south, the potholes of the northern prairies, and the marshes around the Great Lakes are all wetlands which contribute to the existence of wildlife. Wetlands are the life blood of North American waterfowl populations.

In addition, wetlands provide vital food and cover for other migratory birds, resident wildlife populations, and other forms of life.



Wherever wetlands occur, they are the focal point of wildlife populations the year around.



2.

Flood control, watershed development, channelization projects, county drains, United States Department of Agriculture subsidized drainage, and private development, have all taken their toll of wetlands.

Through the years, the United States Fish and Wildlife Service and its predecessors, the Bureau of Sport Fisheries and Wildlife and the Bureau of Biological Survey, state conservation agencies, and private organizations, strived with limited success to save this precious wetland resource. The Fish and Wildlife Service has a limited program (financed by Migratory Bird Hunting Stamp receipts) to acquire wetlands by purchase or easement to preserve them for waterfowl management.

PROBLEM

Highway construction in the prairies threatens vast numbers of wetlands. Less obvious a threat than ditches dug solely for drainage, road ditches have become drainage outlets within easy reach of most landowners. Federal funds often go to both county and state governments to help expand road systems.

Wetland drainage from highway construction can be direct or indirect, intentional or unintentional, but nonetheless devastating to wetland habitat.

As a necessary part of highway construction, roadside ditches are shaped so that runoff waters reaching the right-of-way will move to the nearest creek or river. These ditches provide drainage outlets for fields and wetlands adjacent to roadways. The result is a loss of valuable wetlands, and problems to highway maintenance crews who must deal with ever-increasing water volumes.

The following statements found in the 1974 Policy Positions of the National Association of Conservation Districts are an example of agricultural interest in using road ditches as drainage outlets:



Agricultural drainage extending into excellent prairie wetland complexes.

> "We favor state legislation to assure adequate drainage outlets for agricultural lands abutting highway rights-of-way."

and ...

> "We request agencies responsible for planning and construction of roads and highways to notify the State Soil Conservation Agency of proposed construction or reconstruction plans. Such notification early in the planning stage would permit adequate investigation and consultation pertaining to the drainage requirements of adjacent farm lands, as well as the inclusion of runoff control structures or recreational ponds."

Where the National Environmental Policy Act (NEPA) is involved or where Section 4(f) of the Department of Transportation Act applies, the Fish and Wildlife Service has an opportunity for input to the decision making process. However, protection of wetlands from threats posed by highway construction has not been good except for 4(f) cases.

Wetland destruction has been most severe where neither NEPA nor the Department of Transportation Act apply. Generally, but not exclusively, locally financed township and county roads which are not part of the federal aid highway system have successfully circumvented necessary environmental safeguards.

HABITAT LOSSES FROM HIGHWAY CONSTRUCTION

Wetlands are destroyed by highway construction in several ways.

1. Direct wetland losses - losses which occur on highway rights-of-way resulting from:

   a. Filling ponds and marshes for roadbed construction.

   b. Draining of marshes within rights-of-way by highway ditches.

2. Indirect wetland losses - drainage of wetlands from lands adjacent to public roads into roadside ditches.

New road construction in wetland country invariably involves direct wetland losses. Some loss is unavoidable. Some highway engineers have tried to provide necessary right-of-way drainage without draining nearby wetlands. Yet all too often road ditches have been designed or altered to drain all wetlands within the right-of-way.

In addition to direct wetland losses, indirect loss results from drainage systems on private lands discharging into roadside ditches. Thus, highways built at public expense for transportation purposes are being used by private land holders to hasten wetland destruction.

When this additional water reaches road ditches, highway departments must discharge it through larger culverts, larger ditches, and provide more extensive erosion control structures. Wetlands and road rights-of-way could be shielded from this kind of drainage and expense by prohibiting the use of public road ditches as drainage outlets.

STUDY METHODS

Highway construction destroys wetlands in all of the midwestern states. To estimate the magnitude of these losses, we sampled wetland drainage, both direct and indirect, in 19 western Minnesota counties. These counties (Figure 1) contain typical prairie wetlands and are intensively farmed.

Five counties typical of western Minnesota's pothole region were selected to sample wetland destruction resulting from road construction. These counties are representative of the 19 western Minnesota counties which contain the bulk of the remaining prairie wetlands in the State.

Parts of two counties, Mahnomen and Polk, were combined for sampling purposes. In each sample county, 30, two-mile segments of road were randomly selected to make observations of wetlands drained. This 30-road sample was made up of 10 each of State or U. S. highways, county highways, and township roads. The samples were plotted on county road maps, laid out on aerial photos, and checked from the air for wetlands drained directly by or into the ditches. Observations were recorded on the aerial photos and wetland acreages were determined by the dot grid method. Results of these observations are given in Table 1.

Figure 1



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Table 1. Average number of acres of wetlands lost per mile of highway in five western Minnesota counties.

County	State and Federal Highways	County Highways	Township Highways	Total
Jackson	0.86	0.32	2.24	3.42
Kandiyohi	4.22	3.18	5.92	13.32
Lac Qui Parle	3.98	4.06	4.35	12.39
Mahnomen-Polk	2.04	4.80	5.53	12.37
Otter Tail	0.54	0.48	2.40	3.42
Average	2.33	2.62	4.10	9.05

Table 2. Miles of highways in 19 western Minnesota counties.

County	State and Federal Highways	County	Township	Total
Becker	157	638	1,100	1,895
Big Stone	111	406	444	961
Clay	153	523	1,037	1,713
Cottonwood	87	412	703	1,202
Douglas	115	141	683	939
Grant	127	235	453	815
Jackson	135	493	752	1,380
Kandiyohi	171	637	659	1,467
Lac Qui Parle	111	502	844	1,457
Mahnomen	74	262	200	536
Otter Tail	823	1,035	2,260	3,618
Polk	265	930	2,357	3,552
Pope	123	359	694	1,176
Stearns	217	934	1,333	2,484
Stevens	74	371	570	1,015
Swift	192	458	764	1,414
Traverse	81	473	561	1,115
Wilkin	128	496*	161	785
Yellow Medicine	133	492	804	1,429
Total	2,777	9,797	16,379	28,953

*From only 6 townships. The others have no wetlands.

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Table 3. Estimate of wetlands drained in 19 western Minnesota counties as a result of highway development

	Miles of Highway	Acres Drained Per Mile of Highway	Acres of Wetlands Drained
State and Federal Highway	2,777	2.33	6,470
County Highway	9,797	2.62	25,668
Township Highway	16,379	4.10	67,154
Totals	28,953		99,292

The total miles of roads in each of the 19 "prairie wetland" counties of western Minnesota are listed in Table 2.

The products of average wetland acreages drained per mile of road sampled and the miles of highways in the 19 county wetland area of Minnesota are presented in Table 3. This projection is an estimate of wetlands drained as a result of highway construction in this portion of Minnesota. From our observations and calculations, 99,292 acres of wetlands valuable to wildlife were drained in these counties as a result of road construction. This represents 29% of the Types III, IV and V wetlands estimated to have been in these counties in 1964.

DISCUSSION

Although our estimate of wetland habitat loss concerns only 19 counties in western Minnesota, we know that wetlands have been destroyed by road construction throughout the prairie pothole region and in other parts of this country.



The road ditch is an integral part of this drainage system.

Our wetland heritage has been destroyed to the point that less than half the original acreage remains.

Drought is "temporary" wetland drainage and we are painfully aware that under dry conditions, waterfowl production from wetlands drops. Drainage is permanent drought and if allowed to continue, this Nation will lose its waterfowl populations as we have known and enjoyed them.

There are opportunities to significantly reduce roadside drainage of wetlands during road construction. There are also limited opportunities for enhancement of wetlands and related waterfowl habitat along roadways.

To capitalize on these opportunities, we need new laws, new understandings and an honest sense of stewardship by all people, especially public construction agencies.

Meanwhile, strict protective measures must be taken.



When a road cuts through a marsh, wildlife habitat is lost. At best, a small part of the marsh is filled; at worst, the entire marsh may be drained.

Management of highway drainage and runoff waters requires adequate outlets for waters into nearby lakes, streams or rivers. Construction and management of these outlets requires careful engineering so that roadways can be adequately drained and to prevent receiving waters from becoming over-burdened or reduced in quality as a result of highway construction.

Highway departments routinely enforce right-of-way integrity on major roads and prohibit incompatible uses of their rights-of-way such as tilling, grazing, and other encroachments by adjacent landowners. There is a need for more stringent right-of-way integrity enforcement to prohibit the entry of water from artificially drained wetlands into public road ditches of state, county and township highways.

The practice of extending highway drainage systems to adjacent lands has had a devastating effect on wetland resources. It has created problems of increased water volumes, through public road systems, into major waterways and lakes. These problems could be eliminated by using existing authorities to maintain right-of-way integrity.



Nearly 100,000 acres of western Minnesota's wetlands have been destroyed by highway construction.

We believe that there is a good case for requiring federal discharge permits for highway systems which discharge their run-off waters into the navigable waters of the Nation as defined in the Federal Water Pollution Control Act Amendments of 1972. Levels of contaminants such as lead; hydrocarbons from tires, fuel residues and lubricants; salt; sand; and other pollutants should be identified and listed in a National Pollutant Discharge Elimination System (NPDES) permit along with anticipated volumes of water to be carried by the road drainage system into the receiving waters. To increase this water volume or add contaminants from drainage of adjacent lands could, under provision of the FWPCA (Amended), require an amendment to the permit.

We think NPDES permits should be required for highway discharges and that all environmental factors should be considered in issuing them.



Wetlands are a valuable resource. Public agencies should cooperate in their protection.

RECOMMENDATIONS

1. Request legislation or an Executive Order or a U. S. Department of Transportation Policy that would require state and local governments to maintain right-of-way integrity by prohibiting the use of road ditches for the indirect drainage of wetlands. Failure to prohibit this use of public rights-of-way should result in loss of Federal highway funds to that state.

2. Request legislation that requires a percentage of Federal Aid Highway funds be used for wildlife enhancement to offset damage to wildlife habitat in highway corridors.

3. Determine if NPDES permits are required for discharges of highway runoff waters.

4. Conduct an intensive educational program to publicize the destruction of wildlife habitat that results from county and township road projects.

5. Promote "Effects of Road Construction on Wetland Wildlife Habitat" as a major topic thrust on the agenda of conservation and land use planning conferences.

The recommendations included in the report should not be construed as representing the approval or disapproval of the Secretary of the Interior or the Director of the Fish and Wildlife Service. The purpose of the report is to provide information for further consideration.

Senator BURDICK. The next witness will be the motor carriers' panel.

STATEMENT OF JOEL D. MELARVIE, MANAGING DIRECTOR, NORTH DAKOTA MOTOR CARRIERS ASSOCIATION, INC.

Mr. MELARVIE. Thank you for the opportunity to appear before you today to speak on transportation in rural America.

My name is Joel D. Melarvie. My position is that of managing director of the North Dakota Motor Carriers Association. The association is the statewide organization of motor carrier companies including those forhire and those not forhire as well as motor carriers who are regulated and those who are not regulated. The trucking companies comprising the motor carriers association transport commodities in bulk, general commodities, agricultural products, people and household goods.

It is obvious that by the very nature of our business we would have an essential interest in transportation in general and in particular the means by which transportation of commerce is made possible—our highways.

Truck transport, in itself, does not create freight or commodities. We find ourselves in the middle. The intermediary between producer and consumer. Consequently we are an industry that is an absolutely necessary mode of transportation for the establishing or maintenance of commerce. Without the necessary means for moving goods from point of origin to point of consumption, no value can be fully given to any economic activity. Truck transportation is the one form of transportation necessary to make all other forms indispensable. Truck transportation is the catalyst to the efficient mixing of rail, air, water and pipeline transportation.

In 1972, over 9 million tons of agricultural commodities and commercial products moved throughout North Dakota. These commodities moved over approximately 7,000 miles of interstate, primary and secondary highways.

North Dakota has approximately 40,000 agricultural producers and 627,000 urban—that is what we in North Dakota would call "urban"—dwellers spread over an area encompassing 70,665 square miles. In 1960 North Dakota's population density was 9.1 people per-square-mile but in 1970 this figure declined to 8.9.

Essentially, what this means is that the residents of North Dakota find highways and highway transportation as the singular means by and over which they receive their daily necessities and transport their products.

The survival of rural America rests on the means overwhich rural America serves and is served—and that, gentlemen, is our highway system.

Highways such as the Interstate System, numbers 2, 85, 83, 5, 281 and 52, are examples of engineering feats benefitting not just one isolated segment of the economy, not just one geographical area, but rather one entire State and its total socioeconomic structure making it one total producing unit for the Nation.

The trucking industry is also concerned about the future condition of the highways. We believe in and support the Highway Trust Fund. These moneys set aside for highway construction must remain dedicated

for that purpose and we would urge that States such as North Dakota which has only a few miles of interstate left to complete, be given moneys from the trust fund for maintenance purposes for either the interstate, primary, or secondary road systems.

The maintenance of North Dakota's 7,000 miles of highways is going to require an estimated $1,646,000 increase in fiscal 1975 over the preceding year. There have been cost jumps of 100 percent in oil, 50 percent in signing materials, and 50 percent in equipment since mid-1973.

North Dakota has graphically demonstrated that it is sensitive to these spiraling costs. The Highway Department has an outstanding record of greatly increased manpower productivity, increased efficiency reduced manpower, and effective use of modern business management and evaluation procedures. All this to make our highway dollars go as far as possible.

Gentlemen, rural America needs increased expenditures for highway construction and road maintenance. Transportation in rural America demands a load-free road system. Approximately 25 percent of the total product movement by truck in North Dakota takes place in the spring season. Yet this is the time of the year when load restrictions must be initiated resulting in an estimated $3,600,000 loss to the industry and creating hardship on our producers and shippers. In order for us to have a load-free system rural America needs additional expenditures for highway construction and maintenance.

The dual responsibility of rural and urban America for the continued existence of our country is increasing daily. If we are to meet these greater demands rural America must be allowed the tools and the most vital of these is our highway system.

Senator BURDICK. Thank you very much. Not only will your statement be read in full, but the other 13 or 14 members of this committee will also read it.

Mr. Solberg will be next.

STATEMENT OF I. E. SOLBERG

Mr. SOLBERG. The road is one of the fundamental institutions of mankind. The varied effect appears in every department of the State. It is the road which determines the site of cities and the growth and nourishment of all. It is the road which controls the development of strategies and fixes the site of economic activities. It is the road which is the channel of trade and, what is more important, of ideas. In its most humble function it is a necessary guide without which progress from place to place would be a ceaseless experiment.

It is very risky for anyone to try to predict the future since all aspects of social life, including business, are in a state of constant flux. Nevertheless, adjustment to change requires that we look ahead and plan for the future if at all possible. Business forecasters have learned from experience that exact predictions are seldom possible, but also that future growth might stagnate if there were no future planning at all.

We also need to make some predictions if business is to function at all, and the nature of these predictions goes far toward explaining the future for all businesses involved in the ultimate handling of a

product. People do things today because they think these things accomplish or meet the needs of tomorrow, and through prediction they feel they have made fairly good estimate of the needs of tomorrow. We are therefore basically sound in our predictions when we agree that we cannot fully understand current American business unless we know what it is expected to become.

The productivity of labor when measured in total units of production has not kept pace with the rise in wages and labor costs so that other factors had to change in order to compensate for the rising cost of labor without it increasing the per-unit input or output in production. This has caused the motor carrier industry to seek offsetting cost factors with such media as multiple trailers, higher line-hauling speeds, and economics of scale made possible through company mergers.

Another factor needing attention at this time is that the highway user agreed to be taxed for the specific purpose of building the highways essential for the movement of goods and persons from point of origin to point of destination. No money was ever extracted from the general fund of any treasury after 1956 to build these capital formation structures to carry the traffic essential to motivate the economy of this country. The total outlay by the motor freight industry has been nearly $90 billion in this 1955–71 period to plan, develop, and construct a highway system capable of connecting more than 90 percent of the industrial centers of this country with a completely controlled access highway from coast to coast. This was not a request from the American public. It was an investment concentrated in the development of high-grade intercity highways to be used for all purposes but was to figure into the role of needed transportation for the development of a fast growing economy during this same period.

There are some rather significant factors to be taken into consideration due to this shifting population and the geographic oddities which may develop in a nation where vast areas of space are still untenable. How rapidly society makes tenable these areas will depend upon many factors besides transportation. They must be kept abreast of each other. We also must realize that with population moving from the sparse areas to crowded areas, that the wide open spaces will not have a dense enough population to make profitable a common-carrier controlled type of traffic used by railroads. So where rail service is reduced or abandoned, motor freight will in most cases be called on to replace it if possible.

Governmental policies to develop artificial growth centers in this Nation may eventually affect the location of highway facilities. There are no means by which we can predict in any other manner than to say that highway transportation demands will continue to grow more rapidly than other modes in decreasing population areas. Proposed changes in economic regulation—deregulation, cost-based rates—could be the cause for location adjustment in production and consumption patterns. Freight rate structures based on carrier cost may cause concentration upon the movement of commodities of low-value bulk rather than the high-value products which may then shift away from market centers and be located in more sparsely settled areas of the country. There needs to be much more study done in the area of fore-

casting methods to take account of geographic differences in freight origination movement and termination.

As more and more sections of the controlled access highway system are completed, more and more motor freight traffic will shift to it when advantages of such shifts are evident. How long this shift of traffic to the interstate system can continue without losing freight movements in other areas remains to be seen; but certainly our best estimate is that it is limited in time from here on out.

We would be amiss in our attempt at predictions if we were not to include herein the fact that trucking has always served as a total transportation system. Trucking will continue to serve as a short and medium length haul when adverse conditions for such hauls affect other modes of transportation.

The motor carrier will also continue to serve as a collecting and distributing mode of transportation to every other mode of transportation now known and perhaps developed in the future. All distribution would stop should trucks cease to be this connecting media. Something must replace it more expedient than that of the past or it will continue to be the mode upon which all other modes are dependent for some or all movement of goods.

There is every indication that motor freight will continue as a long-haul mode connecting points of lighter generated traffic. It also must continue to serve where the origin or destination is isolated from more concentrated areas of population and consumptive points.

Irregular or infrequent, as well as specialized forms of carrier service can best be adjusted to the motor carrier rather than any other mode of transportation. Special equipment as well as specific handling methods go hand in hand with the flexibility and convenience of service inherent within the motor transportation mode. When time is an element between the point of origin and the point of destination, truck transportation may be the only feasible means of transportation at a cost commensurate with the value of goods to be shipped in the space of time allowed.

The trucking industry has developed in services to the food industry. Its strong potential for specialization in equipment and handling of produce has long made it a preferable means for services to privately owned food establishments with privately owned trucks as an agency of the food industry. There is, however, indication that concentrated points of heavy intra—inter—and international highway freight demand will continue to develop where such terminals, airports, piggyback yards, and where terminals will rise to service and communication with other modes of transportation from such established terminal areas. If intermodal cooperation is to succeed then there is need for extensive planning that will encourage the aggregate of operations in the utilization of motor types of equipment.

Senator BURDICK. You did an excellent job, both of you gentlemen. Just make one correction. You were too modest. You said we need this for the country. You realize those shipments on Highway 2 go throughout the world; the Great Lakes system.

Just a moment. Senator Randolph has a question.

Senator RANDOLPH. I think the record should reflect also that last year the Congress passed legislation which gave to the States the opportunity to increase their truck weights on just Interstate Highways.

Now, that legislation which became law has been the subject of severe criticism from some quarters, in the State of West Virginia, in Washington, D.C., throughout the country. I read the editorials which indicate that that was ill-advised. Has that happened in North Dakota?

Senator BURDICK. Have you noticed?

Mr. SOLBERG. North Dakota had the same weights, lengths and all of that before the Interstate was brought up to that point.

Senator RANDOLPH. That's correct. What I am attempting to have the record show is that the essence of the editorial opposition goes to what they believe to be excessive weight that is causing the quicker deterioration of highways. And also the possibility of increased accidents. Do you have any comments?

Mr. MELARVIE. Chief engineer for highway department, Mr. Bob Bradley has gone on record—I don't know if he's still here or not, but during the legislation session in North Dakota, stating that the weights that North Dakota enjoyed before the Congress acted—in other words, we could go up to a total gross weight of 82,000 pounds, but this he could see no deterioration of highways because of this weight. So I would defer to his expertise in the matter.

Senator BURDICK. Mr. Melvin White Eagle, chairman, Standing Rock Sioux Tribe of North Dakota and South Dakota.

STATEMENT OF MELVIN WHITE EAGLE, CHAIRMAN, STANDING ROCK SIOUX TRIBE OF NORTH DAKOTA

Mr. WHITE EAGLE. Thank you for the opportunity to make a statement before this committee.

Mr. Chairman, and members of the subcommittee, my name is Melvin White Eagle. I am chairman of the Standing Rock Sioux Tribe. Since there are several others here presenting testimony for the State and county transportation systems, I will limit my remarks to the Bureau of Indian Affairs transportation funding.

It has long been a recognized fact that the development of transportation systems on the reservations throughout the United States has been far behind the development of the surrounding areas. One can readily identify a reservation area by the inadequate transportation systems. The reasons for this are many. One could place the blame in several places and accuse individuals and Government of neglect. However, this will not solve our problem. Our only solution is to develop aggressive programs to meet our future needs.

The reservation residents have the same needs for roads as any other community. Being primarily an agricultural economy, our people live in the rural areas, which in several instances, may be classified as isolated areas. Our school children have the poorest school attendance records in the Nation which is partially due to the inadequate roads. During the past 30 years, Indian reservations have been the target of the Corps of Engineers for the construction of dams. The backwaters of which have flooded the sheltered lowlands which were normally used for travel by the Indian people. To compensate us for these roads, the Corps of Engineers built replacement roads along the adjacent foothills which are rough terrain and are of shale soil which is unsatisfactory as road construction material. These roads were

designed to the very minimum standard at that time and as a result today, we have very low-standard roads which require excessive maintenance costs and are passable only during good weather.

In addition to the lack of roads, the Indian people have not had the benefit of the employment and wages in the local economy. In 1971, a study was made of salaries paid to Indians on road construction contracts on our reservation. The study revealed that Indians received only about 10 percent of the salaries and the jobs were usually the shovelhandle type which paid the lowest wage and provided no experience in skills of the higher paying jobs. Since 1971, our reservation purchased construction equipment and all road construction is done by the force account method employing all local labor. This method has proven very successful, not only in work accomplishments, but by providing local employment, training, and funds for the local economy.

The Indian tribes have been totally dependent on the Bureau of Indian Affairs transportation funding for the construction and maintenance of roads to serve development on the reservation and Indian people. The Bureau of Indian Affairs funding has been inadequate which has created a backlog of road needs. A recent survey reveals that the total dollar need for road construction in the Aberdeen area is $274 million. The Bureau's road construction fiscal year 1975 budget was $6.1 million. At this rate, the best we could hope for is full development in 45 years. The Bureau's road maintenance funding for the Aberdeen area in 1975 was $1.3 million. This is approximately $400 per mile. The national average is $1,870 per mile. These figures make it quite clear why reservation transportation systems are inadequate and paint a very bleak future.

The States have routes passing through reservations but these are few and are designed to serve the through traffic and not the local need. Counties for years have been collecting revenues from the States for licensing fees, et cetera, which are paid by Indian people and refuse to serve Indians.

At one time, it was Bureau policy to require a take-over agreement by the local county before Bureau of Indian Affairs funds would be allocated for a project. As a result, the county commissioners made the decision as to where the roads should be built and were thus using Bureau funds to build roads in the predominately non-Indian portions of the reservations. As a result of this policy, we now have large areas of our reservations which are predominately Indian that have antique transportation systems which in turn make development slow or impossible.

The following is quoted from the Rural and Urban Road magazine, December 1972 issue:

> It has been little publicized, but the Appalachian Development Highway Act is moving right along in its goal to spend $2 billion in federal funds for new roads in the "economically underprivileged" areas of 13 states. More than 500 miles of Appalachian highways have been completed, and Senator Jennings Randolph of West Virginia has come up with figures to reveal the effectiveness of the new roads in creating job opportunities. Some 60% of the new industrial activity in the Appalachian states has been located within 20 minutes travel time of an Appalachian highway. During the first five years of the program, manufacturers have built 1,149 plants providing 200,000 jobs in the region.

The above is a very good example of what can happen when funds are appropriated for an economically deprived area with high unemployment rates such as we have on our reservations today. I request the Senate Transportation Subcommittee to seriously study and consider a similar program for the Indian reservations throughout the United States.

The elected tribal leaders of the Aberdeen area will be more than willing to assist in any way possible to support such a program.

Senator RANDOLPH. I'd like to ask just one or two questions. Do you believe there has been discrimination in the use of highway funds for the construction of roads on the reservation?

Mr. WHITE EAGLE. I don't believe it is discrimination, but it's the people behind the county commissioners, are the ones. We don't have any members on the county commissioners. If we do, I think I believe the road funds would be distributed equally.

Senator RANDOLPH. How large is the reservation in North Dakota? Is there more than one reservation?

Mr. WHITE EAGLE. Standing Rock Reservation, well, we have four Indian reservations in North Dakota. Our reservation is in both States, North and South Dakota, approximately 2 million acres, I would say.

Senator RANDOLPH. Two million acres?

Mr. WHITE EAGLE. They're 1.8 million.

Senator RANDOLPH. How many people living on those reservations?

Mr. WHITE EAGLE. Indian, present population to date, approximately 4,200, population. I have no figures on that.

Senator RANDOLPH. Is there high unemployment on the reservations in North and South Dakota?

Mr. WHITE EAGLE. Yes, sir. Very high, sir; 40 percent.

Senator RANDOLPH. Forty percent?

Mr. WHITE EAGLE. Yes. As high as 60 percent at times.

Senator RANDOLPH. As high as 60 percent?

Mr. WHITE EAGLE. Yes.

Senator RANDOLPH. I am naive perhaps, but do people living on the reservations lend themselves to working on projects outside the reservations?

Mr. WHITE EAGLE. Yes, sir. Some of that is going on. There is a program available, funded from the Bureau of Indian Affairs. People can go off the reservation, to live off the reservation, find a job if they so wish.

Senator RANDOLPH. You are saying, Chief, there is no disposition of the Indian to remain away from a work force which may be beyond the reservation itself?

Mr. WHITE EAGLE. Repeat that question.

Senator RANDOLPH. The Indian is ready to go out if the job is there, and work beyond the reservation where he lives; is that correct?

Mr. WHITE EAGLE. Have to go because there are no jobs on the reservation now. Yes, sir.

Senator RANDOLPH. Well, what's the unemployment in North Dakota now?

Senator BURDICK. I think it's officially around 7 percent.

Senator RANDOLPH. Well, I'm trying to see why the Indians are not given the opportunity to work on roads with the 40 percent of

the Indians unemployed in the State with a much lesser total unemployment figure. Can somebody explain that to me?

Mr. WHITE EAGLE. Are you talking about State highway department or the Bureau of Indian Affairs?

Senator RANDOLPH. The contractors, the general program of working on the roads.

Mr. WHITE EAGLE. On the reservations?

Senator RANDOLPH. No. I mean outside the reservations. As, I understood, the Indian wants to go where the work is.

Mr. WHITE EAGLE. Yes, sir.

Senator RANDOLPH. The work is there, but he isn't being employed, is that right?

Mr. WHITE EAGLE. There are several of our tribal members who have—who are qualified, heavy equipment operators, who have jobs, private contractors during construction season, but not too many of them.

Senator BURDICK. Isn't it true that right now there is a need of training centers to help train large equipment operators? Thinking in that nature, part of the problem is training. That's why we have these training centers, get the Indian people in jobs, to find these jobs, is that correct?

Mr. WHITE EAGLE. That's driving for money to train our people, to qualify for these jobs.

Senatoi RANDOLPH. I am going to stop at this point, but I think there's an inequity when there's a 40-percent unemployment on the reservations and in other areas of this State, the unemployment is very, very much lower. I am not trying to argue against or for anything at this point. I wonder if we're giving attention to problems of unemployment n certain areas, whether on reservations where Indians live or whether it's in some other section of the country where peculiar situations exist. I think we have got to do more than we have in finding ways to employ people who are unemployed.

Senator BURDICK. You wouldn't disagree with that, would you, Melvin?

Mr. WHITE EAGLE. No, I don't. Wouldn't disagree with any part of it.

Senator RANDOLPH. This worries me. Here is unemployment on reservations in this State at the rate of 40 percent. And you say the people want to work?

Mr. WHITE EAGLE. Yes, sir. A lot of young people now with different attitudes who had fears years back that are willing to go out and work and willing to take part in any program that will benefit to society, and the thing is that the Indian is trying to think of ways, want to stick together, you know, so what we have to do is really get out and see if we can get industry on reservations. The problem is transportation to reservations. We do that—well, this is what we're saying, we get industry on reservations and put these people to work and lower that unemployment rate, somewhat. And we would appreciate that, if that could be done, if someone could help us out.

Senator RANDOLPH. Thank you very much.

Senator BURDICK. We'll look into some type of application type of programs.

Mr. WHITE EAGLE. I appreciate that. Thank you.

[A letter from the Three Affiliated Tribes Tribal Council follows:]

THREE AFFILIATED TRIBES,
TRIBAL BUSINESS COUNCIL,
FORT BERTHOLD RESERVATION,
New Town, N. Dak., May 21, 1975.

Senator QUENTIN BURDICK,
Senate Building,
Washington, D.C.

HON. SENATOR BURDICK: The Fort Berthold Indian Reservation, headquartered in New Town, North Dakota is located generally in the west central part of the state with portions in five counties.

If we were compelled to apply for funding thru each county, the amount received would be nominal, if any due to political reasons, township populations, or other priorities established by each county. Should it by chance become available through the counties the amount we would receive would be insufficient to do anything constructive or beneficial for the people or the Fort Berthold Indian Reservation. There is not enough land in each county from the reservation. If the tribe were to receive the monies for the reservation in a lump sum, they could develop some of their recreation area sites and access roads. These sites are mostly Corp of Engineer lands and they are not on the Bureau or County road system. They are not maintained except occasionally by the Bureau of Indian Affairs. There are some housing sites that are not on the road system that could also be improved.

After careful consideration, the Fort Berthold Indian Reservation and its people feel they have ample justification to be considered for a lump sum funding to be used on their own established priorities to benefit the Reservation and the surrounding area for public use.

The five counties are listed below:

[In acres]

	Tribal	Individual	Government	Total
Dunn	29,215.40	170,834.40	43.13	200,093.23
McKenzie	8,287.90	72,416.77	65.00	80,769.67
McLean	12,192.79	78,569.72	50.00	90,812.51
Mercer	1,857.52	25,154.52	0	27,012.04
Mountrail	3,495.98	16,327.47	5.96	19,829.41
Total	55,049.59	363,303.18	164.09	418,516.86

This total does not include the reservoir taking area of 152,359.95 acres more or less the ceded area of 353,792.59 more or less, and the Fee-Patent area within the exterior boundaries of the reservation which is 56,749.88 acres more or less. Within the boundaries of the reservation there is total of 981,419.28 acres more or less.

Sincerely yours,

ROSE CROW FLIES HIGH,
Tribal Chairwoman.

Senator BURDICK. The next witness is Lloyd C. Hanson, executive vice president of the Grain Dealers.

STATEMENT OF LLOYD C. HANSON, EXECUTIVE VICE PRESIDENT, NORTH DAKOTA GRAIN DEALERS ASSOCIATION, ACCOMPANIED BY HAROLD HOFSTRAND, FORMER NORTH DAKOTA STATE SENATOR

Mr. HANSON. Senator Jennings Randolph and Senator Quentin Burdick, my name is Lloyd C. Hanson, and I am here with Harold Hofstrand, former State senator of North Dakota and member of the Durum Growers Association.

Honorable Chairman Senator Jennings Randolph, Senator Quentin Burdick, Senator Milton Young, Congressman Mark Andrews, distinguished guests and friends, my name is Lloyd Hanson. I am executive vice president and secretary-treasurer of the North Dakota Grain Dealers Association whose headquarters is in Fargo, N. Dak.

My appearance here and testimony to follow also represents the National Malting Barley Growers Association and the United States Durum Growers Association.

The Clay committee report to the President said in part: "The need is not for 'more' highways so much as 'better' highways."

North Dakota is essentially a rural State. We lead the Nation in production of high-protein Hard Red Spring wheat, high-quality Hard Amber Durum, mellow Six-row Malting barley, and are near the top on high iodine and oil-yielding flaxseed as well as heavy oats, sunflower seeds, and specialty crops.

Our dependence on good, all-weather highways is paramount to survival.

Grain production priority goes back to frontier days. The frontier people could eat it or drink it; but because there were no roads worthy of the name, there was no way to establish commerce in the East. Consequently, in the case of barley, it was reduced in bulk and enhanced in value through stills, made into whisky, lashed to the backs of pack animals and carried to near markets. Thus whisky became the No. 1 crop on the frontier. A pack animal could carry 24 bushels of converted grain instead of 4 bushels of raw product. Whisky also became a medium of exchange.[1]

North Dakota is the most "land-locked" State in America. We have no outlet to water transportation within 200 miles. We must depend on our hard-surfaced highways and sound rail service.

Our quality grain production is marketed domestically and in export. West coast, east coast and gulf outlets require all-weather roads as well as connections via rail and water.

Dependable quality of product is half of the solution to successful marketing. The other half is dependable delivery which means transportation to the purchaser.

The main reason North Dakota finds it difficult to achieve a level of highway development adequate for economic and social progress is the large mileage of roads, streets, and bridges required to serve its widely scattered population of 617,000 people.

To improve and maintain the State's 72,533-mile network—excluding 43,455 miles of trails—with such a sparse population poses a formidable challenge.

Other factors complicate the basic problem. Extreme climatic changes add to the cost of road and bridge construction and maintenance reducing the durability of the facilities.[2]

Heavy snows and spring breakup make it difficult to keep highways open all the year around with bridges susceptible to icy conditions. The fertile soil which produces such abundant Malting barley, Hard Translucent Durum, Dark Northern Spring wheat and other crops often does not allude to the best foundation for highways.[3]

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[1] Christy Borth, Mankind On The Move. Automotive Safety Foundation. 1969.
[2] Better Roads for North Dakota. Engineering Analysis and Recommendations. Automotive Safety Foundation, Washington, D.C. November 1952.
[3] Ibid.

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Traffic demands have increased. Size of vehicle—trucks—are increasing with greater acreages per unit of operation to meet the needs of both the producer and the shipper.

Virtually the entire annual tonnage of farm crops produced in North Dakota is transported by truck particularly from the farm to the country elevator.

Chairman of our transportation committee, Robert Kringlen, Churchs Ferry, N. Dak., stresses the point, highways for now and in the future must provide for maximum truck weights. Tonnage per vehicle is increasing and roads should allow for the increased truck weights. He also recommends priority be given to construction of a four-lane highway from Grand Forks to the Montana border.[4]

Kringlen adds the Interstate Commerce Committee is continually granting rate increases that make increased use of trucks mandatory in transporting grain to market.

Shipping via truck transport alleviates the bad-order railcars spotted for loading and allows for less claims for loss in transit.

Most Malting barley is shipped by rail, when cars are available, because malting plants have not geared themselves in all cases, to unload trucks. However, during car shortages Malting barley is shipped via trucks to those malting plants who can unload trucks.

Further, rails discriminate in their rate structure when hauling barley, insisting on higher tariffs, because shippers and producers must go to malting facilities [often] not situated to unload Malting barley received by truck.

Possible rail branch line abandonment is another threat to the producers and shippers on site. Truck transport becomes increasingly vital to the survival of the small towns, elevators receiving and marketing grain and people farming and providing agricultural services to the communities located on those branch rail lines.

Nothing happens in our economic and social life until a sale is made of goods and/or services. In North Dakota the wheel[s] are next in importance. Wheels need year-round hard-surfaced roads to move the product to market.

The wheel fathered the road. Invented about 3500 B.C. probably in the Iraq country, the wheels, mounted on axles, revolutionized all transport from its inception to this day. It made possible the diffusion of goods and services and ideas, of civilization itself, based upon the ease and speed of its revolutions on the road.

Originally, towns and villages in North Dakota were built along rail lines and spaced about 7 or 8 miles apart so no farmer would have to travel too far for food, clothing, shelter, medical services, mail, and other goods and services, nor, haul his farm produce too far to town. He especially was reluctant to haul his wheat and barley by team and wagon more than 8 miles.[5] Many of these small towns still exist.

However, today with the roads we have he can drive his motor vehicle to secondary and primary roads to utilize more complete marketing facilities some distance away. In fact, his marketing practices allow him to promote competition for his product by sub-

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[4] Robert Kringlen, Manager, Farmers Co-op Association of Churchs Ferry, Transportation Committee Chairman, North Dakota Grain Dealers Association. Letter. April 3, 1975.

[5] Poyntz Tyler. American Highways Today. The H. W. Wilson Company, New York, vol. 29, No. 1, 1957.

mitting samples of his grain to a half dozen or more elevators to maximize his price per bushel of grain.

While the farm-to-market roads are much improved over what they were 25 years ago, improvement is needed now to accommodate the latest tandem-wheel trucks and to allow for pickup of loads during spring season when roads are posted for weight limits. Numerous tractor-trailer jobs today will not journey off the primary highways when load restrictions are in effect. If these vehicles do respond to a cry for services they must limit their loads to posted weights. This costly process discriminates against the shipper and producer when trying to fill contracts sold for delivery at that time. Good, hard-surfaced roads encourage gross national product. More motels, service stations, restaurants, supply stores, entertainment facilities and customer needs provisions result when highways allude to personal convenience. Salesmen find their way to make calls and display their goods and services if highways are adequate.

The job of building the first transcontinental railroad, and the Panama Canal, staggered the imagination. Many forecast bankruptcies for the investors. Both were built.

The entire citizenry has a stake in adequate, all-weather, hard surfaced highways. The first beneficiary is the highway user. All other segments of the population including the newborn and senior citizens also have a stake in adequate roads. Their needs are no less than the needs of the highway user. Food, medicine, energy, clothing, shelter, and health services are as vital to these nonproducers as they are to the highway users. We are all bound together—the hamlet, village, city, State, and Nation.

Franklin M. Peck wrote, "the role of transportation in the creation of wealth is so much taken for granted that people sometimes fail to grasp its import." [6]

Roads, like clothes, must be tailored to meet the needs of the day. Traffic volume, vehicular weight, length and width are inputs needed to engineer today's highway and bridge construction. Distance must also be considered. Subgrade soils are another factor to be dealt with to minimize highway mortality rate.

Safety is vital in constructing and maintaining highways. Grade for maximum sight distance, energy conservation and passing convenience, width of lanes and shoulders; ingress and egress convenience; well-defined intersections; curves; and, bridges that have a weight and stress tolerance in excess of today's needs are part of the safety package.

Dust treatment on gravel roads is another safety and environmental consideration. Many of our bridges were built at the turn of the century and are much too narrow to meet today's safety requirements.

Little or no money has been spent on trails (prairie) representing some 43,455 miles in North Dakota. Our belief is these trails can wait while the primary, secondary and farm-to-market roads are constructed and/or rebuilt to meet the needs of the highway system for the foreseeable future.

Approximately 70 percent of the State's rural system of highways is either inadequate or still in the process of construction.

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[6] Christy Borth. Mankind On The Move.

The basic 25,000 miles in the farm-to-market highway system in North Dakota connects virtually all principal cities and unincorporated communities and links every rural area with its marketing center. This system, carries 85 percent of all rural traffic, while the remaining 89,000 miles of rural roads and trails handle only 15 percent.[7]

Our rural roads are carrying traffic numbers and weights of vehicles far beyond the system's inherent capacity.

All rural roads and bridges must be brought up to a standard of excellence and uniformity consistent with our Federal highway requirements. Model width for lanes and shoulders, subsoil and foundation as well as hard surface standards consistent with needs of traffic thereon. These roads must also meet safety requirements as previously stated.

Good and adequate roads reduce cost of marketing by providing for greater tonnage per truck traveling at greater speed to destination. Wear and fatigue are minimized on good roads for both the driver and the vehicle.

Good roads enhance marketing opportunities by providing for better use of spot market sales, and by allowing for a more even market flow of grain to the market when prices are highest for the producer and shipper from day to day, instead of season to season. Good roads also: Allow for faster mail delivery and market return; expands trade opportunities especially in attaining greater exposure of product; allow for speedier health care; expand social opportunities; increase value of property; and, alleviate freight transportation congestion.

Whose responsibility is it?

The highway problem is the problem of every North Dakotan and every American. Especially now when we must bring food to the energy people and elsewhere in the world—food for peace.

The responsibility is that of an informed citizenry. People need to know what is needed in terms of an adequate system of rural roads and bridges. The joint effort of Federal, State, county, township, and municipal government is needed. Long-range plans must be our goal. Plans to bring these roads up to standards adequate to meet the needs of the State and Nation.

Can we afford such quality of highways?

Yes, but, we must set priorities, define the problems, select alternative solutions, decide on a solution and effect the solution. Can a nation such as ours, which has subsidized railroad rights-of-way through huge land grants, subsidized air transport, built huge dams to develop low-cost power, as well as conservation dams, supports farm prices, grants low-cost loans, spends more on social security than it collects, talks of "cradle-to-the-grave" security for each citizen, provides medicare and medicaid, supports land grant universities, supports all education, subsidizes housing—in fact, engages in deficit spending to fund all of the above and tries to grant every voter what this benevolent government thinks the voter needs and even anticipates what he might want—can such a generous government now frown on providing the kind of transportation services including highways that will allow movement of bread, pasta products and beer or milk to those in need? I think not.

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[7] Ibid. Better Roads for North Dakota.

To link every productive corner of food feed, and fiber production with heavy-duty highways, through upgraded farm-to-market roads, is as vital to our arsenal for defense as are the missiles, planes, men, and equipment. For even a soldier needs food. In fact, these rehabilitated roads could provide the hasty exit from congested areas in the event of war.

Rabbi Julius Gordon once said, "Traveling may be one of two things—an experience we shall always remember, or, an experience which, alas, we shall never forget."

At the same time in history, Henrik Ibsen said, "I hold that man is right who is most closely in league with the future."

How can we attain our goal of adequate rural roads and bridges?

One: We must not permit diversion from the highway trust fund and highway user revenues.

Two: We must enlighten the citizenry for their support.

Three: Highway users, through the trust fund and fuel and registration fees should bear most of the costs.

Four: All citizens have a stake in adequate roads and should contribute to the cause: Short term, not to exceed 20-year bonds is a possibility. State appropriation from the general fund is a possibility. A massive emergency surface transportation—highway—appropriation from the Federal Government is a possibility.

Five: Federal Government should draft highway act to emphasize rural roads and bridges that will serve the country on a year-round basis.

Six: Congress must fund an already established bridge program.

Seven: Congress can consider priority for miles of road in allocation of funds. Need is more to move commodities than people.

Eight: Congress should allude to the same emergency concept for rural roads and bridges as the interstate emergency concept.

Nine: Remember—"Food Will Write World Peace" and North Dakota wheat and barley will help the Nation's balance of payments.

Voltaire once said, "If you wish to converse with me, define your terms."

John Snow writes in the April issue of the Agricultural Situation pamphlet, "the next 5 years are expected to see substantial growth in the shipment of agricultural commodities * * *"[8]

The need for up-to-date all-weather roads and bridges is paramount to our needs now and for those who follow us in this life on Earth. The scramble for our food supplies only 2 years ago reminds us that we in the colony of nations, are part of our interdependent world. We must keep up our system—including transportation—for exchanging goods in an orderly manner or face world deteriorations. Our successors will inherit the fruits of what we do on rural roads.

The poem done by Llewellyn Nathanial Edwards speaks clearly—

THE BRIDGE BUILDER

An old man going a lone highway,
Came at the evening, cold and gray,
To a chasm vast and deep and wide.

[8] John Snow, Agricultural Situation, April 1975.

The old man crossed in the twilight dim.
The sullen stream had no fear for him;
But he turned when safe on the other side
and built a bridge to span the tide.

"Old man," said a fellow pilgrim near,
"You are wasting your strength with building here,
Your journey will end with the ending day,
You never again will pass this way;
You've crossed the chasm deep and wide,
Why build you this bridge at even ng tide?"

The builder lifted his old gray head—
"Good friend, in the path I have come," he said,
"There followeth after me today.
A youth whose feet must pass this way,
This chasm that has been as naught to me,
To that fair-haired youth may a pitfall be;
He too, must cross in the twilight dim—
Good friend, I am building this bridge for him."

STATEMENT OF HAROLD HOFSTRAND, FORMER NORTH DAKOTA STATE SENATOR

Mr. HOFSTRAND. The U.S. Durum Growers Association appreciates this opportunity to discuss rural transportation problems with the Subcommittee on Transportation. The U.S. Durum Growers Association is composed of over 3,000 durum producers in North Dakota, Montana, Minnesota, South Dakota, and California.

North Dakota is the leading State in the production of Durum wheat. Historically, North Dakota has produced at least 85 percent of the total U.S. production. For example, in 1972, North Dakota produced 90 percent of the U.S. total, in 1973, it produced 98 percent, and in 1974, it produced 87 percent. The average production for these 3 years in North Dakota was 67,956,000 bushels.

The production of Durum wheat occurs mainly over the northern one-third of North Dakota extending from the Minnesota border to the Montana border. Approximately 75 percent of the Durum wheat produced in North Dakota comes from this region, comprising 18 of North Dakota's 53 counties. This is an area approximately 350 miles long and 100 miles wide. The major Durum production area in Montana occurs in the northeastern counties. Farms are distributed throughout the area. U.S. Highway 2 is the major service artery for the entire area. It provides an outlet for moving grain, agricultural inputs, consumer goods, and people.

For all practical purposes the entire Durum crop produced each year in North Dakota must be transported out of the State for processing and distribution. The collection and delivery of this grain from throughout the producing region requires an effective system of moving the grain from the farm—to the local elevator—to the export location or domestic processor. The movement from farm to country elevator is accomplished by farm truck. The movement from the country elevator is accomplished by railroad or trucks. Historically 85–90 percent of this grain has been shipped out of the State by

railroad; the remainder by exempt trucker. One of the factors contributing to the small amount of Durum moving out of the State by truck is the deplorable condition of U.S. Highway 2. This in turn has had an impact on rates for moving grain because an alternative competitive mode for moving the grain does not exist.

There are at least two problems that face the Durum producer. The first is the availability of boxcars to move the grain to market. Another is the high freight rates that producers must pay to get their product to market.

The producer of Durum wheat requires a large amount of production inputs. The majority of these production inputs are manufactured out of the State and must be transported from the manufacturing plant to farmers throughout North Dakota. These inputs include fertilizer, chemicals, petroleum products, and machinery. The timely distribution of these products to the farmer is essential to meet critical deadlines which occur during the production season. A multimodal transportation system responsive to timely distribution of production inputs is essential to the continued viability of the Durum producer in North Dakota.

The importance of agriculture to the production of food and fiber is obvious—both in the domestic and export markets. A highly productive agricultural system is ineffective and a short-term phenomenon without an effective delivery system. That delivery system must begin at the farmgate and continue through to the eventual consumer with a minimum of bottlenecks. We in the U.S. Durum Growers Association strongly urge the U.S. Congress to expand its efforts to increase the effectiveness and reliability of the transportation system in rural America. Highways such as U.S. Highway 2 have long been neglected. We strongly urge Congress to move rapidly to complete modernization of U.S. Highway 2 in the shortest possible time.

Senator BURDICK. We thank you for the excellent statements.

Senator RANDOLPH. Thank you very much.

Senator BURDICK. Next witness is Robert J. Tosterud.

STATEMENT OF DR. ROBERT J. TOSTERUD, UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Dr. TOSTERUD. I am Bob Tosterud of the North Dakota State University, appearing as director of the Upper Great Plains Transportation Institute.

With your permission I would like to file my statement for the record and answer any questions that you may have.

Senator BURDICK. Your statement will be accepted for the record.

Senator RANDOLPH. What would you do if you were a member of the Public Works Committee, attempting to help the State of North Dakota and other rural States give emphasis to rural road construction?

Dr. TOSTERUD. Well, what I would do, and I admit, rather idealistic, but anyway, what I would do is recognize the entire road transportation system of the United States as a system which feeds the United States and a very integral part of that system as rural roads that would be in North Dakota. Now, North Dakota transported to market ap-

proximately 411 million bushels of grain in 1973–74. That product would be worthless to both the American consumers and world consumers without an adequate road system. It's just simply unaccessible. I would consider this, it might be necessary that strong consideration be given to the formulation I indicate that, in testimony, as well, of a national food transportation policy for the United States. The transportation system in the United States is in rather desperate straits with bankruptcy, the Pennsylvania Central Railroad, the bankruptcy of the Rock Island, the fuel crisis. I think it's going to be necessary that we insure that our food delivery system is going to continue to operate without it. One can imagine the terrifying effects. The farmer wakes up with bulging storage facilities and the consumer with a bare cupboard.

Senator RANDOLPH. I can agree with what you are saying, but the worker going to the factory, he's got to also have a road, hasn't he?

Dr. TOSTERUD. Exactly. Yes, they do.

Senator RANDOLPH. And another person, whether he is a consumer, or is in business, or farming, he needs a form of transportation that he can use. You are attempting, as I understand, to bring the transportation policy for rural America into line with the imperative necessities of moving agricultural products to the market, is that right?

Dr. TOSTERUD. That's exactly right. I think it's necessary to emphasize, not only for the benefit of agricultural procedure, but American consumers, both in terms of their eating, of course, and also in terms of growing dependency of American economy on exports.

Senator RANDOLPH. Thank you very much.

[Dr. Testerud's statement follows:]

IDENTITY

Personal Identification

My name is Dr. Robert J. Tosterud and I am appearing as director of the Upper Great Plains Transportation Institute located at North Dakota State University, Fargo, North Dakota, 58102.

My educational background consists of a Bachelor of Science degree in economics (1968) and a Master of Science degree in economics (1969) from North Dakota State University. My M.S. degree course work and thesis emphasized transportation economics and I was a graduate assistant in the Upper Great Plains Transportation Institute. I completed my Ph.D. at the University of Manitoba, Winnipeg, in 1973 majoring in agricultural economics with a specialization in transportation economics. I have taught courses in economics at Concordia College in Moorhead, Minnesota; agricultural economics at the University of Manitoba, Winnipeg; business administration at Moorhead State College, Moorhead, Minnesota; and transportation economics at North Dakota State University.

I am a member of the American Society of Traffic and Transportation, the National Defense Transportation Association of America, the Council on Agricultural Science and Technology, the American Agricultural Economics Association, and the Canadian Agricultural Economics Society.

Identity of Upper Great Plains Transportation Institute

The Upper Great Plains Transportation Institute is a transportation research organization created by the North Dakota state legislature in 1967. The provisions of that legislation state:

> "The purpose of the Institute shall be to conduct and supervise research in the field of transportation in order to facilitate acquisition of a wider knowledge and understanding of marketing factors associated with the geographic location of the state of North Dakota and the Upper Great Plains in the field of transportation. Research areas shall include the study of commodity movements into and out of the state in order to better know and understand the various factors affecting the marketing of area products. The Institute shall make public its findings and conclusions in regard thereto, together with any suggested solutions. In the administration of its duties under this act, the Institute shall consult and coordinate with various governmental and nongovernmental agencies, shipper and producer groups, and the carriers in this state and other states interested in the field of transportation."

The Upper Great Plains Transportation Institute through its research orientation is interested, willing and able to provide its professional resources in the development of

research information and results to state and federal agencies actively involved and concerned with rural and agricultural product transportation problems.

INTRODUCTION

Agricultural product and rural people transportation in America is a classic case of technological, educational, research, financial and political apathy. In an all too real sense, public and private interests are called to attention when a situation reaches crisis proportions and the squeakiest wheel gets the grease; the wheel representing rural transportation can't squeak because it is yet to be even fitted to an axle. I deeply appreciate this opportunity to lend my voice and my efforts toward the recognition and the acceptance of the challenge to take needed action to stimulate and encourage the development of desperately needed new perspectives in agricultural and rural transportation in the interest of all Americans.

Not surprisingly, any discussion concerning transportation issues and needs must differentiate between problems associated with the transportation of people and transportation of commodities. Therefore, my comments are divided into two separate sections: (1) rural transportation issues and needs and (2) agricultural product transportation issues and needs.

RURAL TRANSPORTATION ISSUES AND NEEDS

Moving people to, from or within rural America is time and energy consuming: ten minutes and a gallon of gas in urban America can accomplish a trip to the grocery store, the dry cleaners and a quick stop at the local pub; there are farms in North Dakota where ten minutes and a gallon of gas won't get you beyond the farm gate. Basically, people in rural America have two choices when it comes to transportation: to go by automobile or not to go at all. In an all too real sense, a resident of rural America without an automobile simply does without the benefits associated with urban America; and perhaps just as significant, an urban resident finds it exceptionally time and energy consuming to take advantage of the "quality of life" associated with rural America. Clearly, an efficient and safe road system, rail passenger system or air passenger system, whether these facilities are characterized as "rural" or "urban," is in the national interest.

Few people, in my opinion, would argue that large urban areas in America do not have extremely difficult, complex and tragic transportation problems. In addition, few people would argue that travel between America's large urban centers does not have its problems and challenges. However, in my opinion, intraurban and interurban transportation have totally overshadowed the problems and needs of rural transportation to the extent that very little effort at the national or state level

is being made to even identify rural transportation needs let alone devote professional and financial resources to derive methods to meet these needs. I am drawn toward an analogy where an entire hospital staff is completely and devotedly monitoring and caring for a patient that has a history of one heart attack after another and then the patient dies of cancer. A balanced perspective, concern and effort is necessary to insure the long run survival, growth and development of the patient.

In my opinion, to date, our national transportation policy has, for all intents and purposes, solely concerned itself with the heart attacks represented by urban congestion, pollution and strangulation. Whatever effort or financial commitment, if any, given to rural transportation needs is contributed more as an act of appeasement and ignorance rather than a designed commitment to obtain desirable goals. An excellent example of this is the $11.8 billion of federal money passed by Congress last fall and signed by President Ford to aid the nation's public transportation systems. Specifically, the act authorized (1) $3.9 billion allocated to cities and states on the basis of a 50 percent straight population/50 percent population-density formula; (2) $7.2 billion for capital grants to be administered as in the past by urban mass transportation administration; and, (3) $500 million for rural public transit programs.

Stretched over a six year period, the state of North Dakota is programmed to receive $1,153,000. It is important and

interesting to note that the only reason that North Dakota got what it did from this program was because it had a metropolitan area, specifically, Fargo. The state of Wyoming with no measurable metropolitan areas, received no funds from this program.

The tragic conclusion to this revelation is that it is all understandable. The fact is that rural America, North Dakota or Congress can not lend credence to or justify the expenditure of $10 billion or $500 million or 10 cents toward providing aid for "crisis ridden rural public transportation systems."

Perhaps the first thing one learns about problems in people transportation is that the problems are directly and solely related to a large demand for transportation services and an insufficient supply of transportation services. That is, if you don't have the demand for additional or more efficient transportation facilities and services, you don't have the need. Finally, one measures this demand using some kind of a population-density formula. This is, in my opinion, why the wheel representing rural transportation is yet to be fitted to an axle permitting us all to listen, judge and act accordingly. That is, a population-density formula serves as an accurate benchmark to gauge the degree of potential transportation problems in American urban centers. Rural America simply does not have a benchmark formula or set of characteristics which might accurately depict transportation problems or needs. Without such an indicator or measuring device our concerns and efforts towards rural transportation problems will

continue to be fragmented, noncoordinated, piecemeal and reactionary.

Perhaps what is necessary to put the wheel to the axle is the design of a rural transportation formula or benchmark comparable to urban America's population-density formula. Table 1 compares two cities with relatively the same population and employment in various service and manufacturing industries. Table 2 extends this similarity a little further by considering the number of a variety of different types of establishments and the population per establishment for these two cities. One could surmise from this information that these two cities might have similar transportation problems and, therefore, recipient to similar degrees of federal aid. However, Table 3 identifies city A as Ft. Worth, Texas, with a land area equivalent to 396.4 square miles and City B as the state of North Dakota, with a land area of 69,293.3 square miles. Also included in Table 3 is North Dakota's population distribution, showing but one metropolitan area which exceeds a population of 50,000. Using a population-density formula (dividing population by land area) the city of Ft. Worth comes up with 1,703 people per square mile and the state of North Dakota, 9 people per square mile. Using the urban thermometer the city of Ft. Worth is transportation disadvantaged, squeaks the loudest, and receives, based on average UMTA aid per Texan, $12,424,118 for its crisis ridden public transportation system compared to North Dakota's allocation of $1,153,000. I am sure that the average Ft. Worth resident and the average North Dakotan would readily agree that the distribution of federal aid

TABLE 1

	City A	City B
Population	675,000	620,000

No. People Employed In:	City A Number	City A No. of People/ Employed Person	City B Number	City B No. of People/ Employed Person
Construction	9,666	69.8	11,165	55.5
Railroad	1,729	390.4	3,441	180.2
Trucking & warehousing	1,767	382.0	2,801	221.3
Communications	1,934	349.0	2,525	245.5
Wholesale trade	7,670	88.0	9,005	68.9
Eating & drinking places	5,226	128.2	8,180	75.8
General merchandise retailing	7,027	96.1	4,450	139.3
Motor vehicle & service stations	3,833	176.1	6,341	97.8
Banking & credit agencies	2,851	236.8	3,337	185.8
Insurance and real estate	6,270	107.7	4,094	151.4
Hospitals	5,124	131.7	10,114	61.3
Entertainment & recreation services	1,751	385.5	1,285	482.5
Elementary, secondary & colleges	10,088	66.9	20,398	30.4
Public administration	7,111	94.9	11,074	56.0

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TABLE 2

Establishments	City A		City B	
	Number	No. of People/ Established	Number	No. of People/ Established
Department stores	32	21,094	23	26,957
Grocery stores	636	1,061	684	906
Motor vehicle dealers	360	1,875	287	2,160
Furniture stores	113	5,973	88	7,045
Eating places	797	847	905	685
Drinking places	278	2,428	693	895
Drug stores	155	4,355	196	3,163
Liquor stores	145	4,655	185	3,351
Gasoline stations	516	1,308	925	670
Miscellaneous retail stores	674	1,001	899	690

TABLE 3

City A = Fort Worth, Texas
Land Area = 396.4 sq. miles

City B = North Dakota
Land Area = 69,293.3 sq. miles

North Dakota Population Distribution

Population	No.
>50,000	1
25,000-50,000	3
10,000-25,000	6
2,500-10,000	8
2,000- 2,500	880
1,500- 2,000	1,261
1,000- 1,500	2,050
<1,000	9,515

should be related to need. However, where there might be a divergence of opinion is in the definition and justification of need. The Ft. Worth resident, fully justified, would base his need on the transportation problems arising from the high density factor. In my opinion, the North Dakotan could quite justifiably base his needs on transportation problems arising due to a low density factor. My point is, that a low density factor says something about people transportation needs as much as a high density factor. One consequence of a low density factor or formula is depicted in Table 4. I submit the "number of square miles per service outlet" not as a substitute or even competitive measure but as a complementary consideration and contribution to a truly national transportation policy.

AGRICULTURAL PRODUCT TRANSPORTATION ISSUES AND NEEDS

The United States Department of Agriculture in a recent publication estimated that 22 percent of the total freight bill of the United States is spent to transport farm and forestry products and supplies. In 1971 terms, this agricultural freight bill would have likely exceeded $22 billion. A committee was selected by the United States Department of Agriculture to help determine research effort of the USDA and the land grant universities on agricultural transportation problems. The committee reviewed the research projects reported in the Current Research

TABLE 4

No. of Square Miles Per Service Outlet

Service	Fort Worth	North Dakota
Department stores	12.4	3,012.8
Grocery stores	0.6	101.3
Motor vehicle dealers	1.1	241.4
Furniture stores	3.5	787.4
Eating places	0.5	76.6
Drinking places	1.4	100.0
Drug stores	2.6	353.5
Liquor stores	2.7	374.6
Gasoline stations	0.8	74.9
Misc. retail stores	0.6	77.1

Information System (CRIS) and found, "of the 21,000 projects involving about 10,400 scientific man-years reported in CRIS, only 42 projects involving 33.2 scientific man-years were identified as transportation research." The estimated 1974 budget for United States Department of Agriculture research in transportation was $10.4 million. In a nutshell this is the situation: agriculture's freight bill as a percentage of America's transportation bill (freight plus passenger) in 1971 was approximately 10 percent; federal government expenditures on agricultural transportation made by the United States Department of Agriculture represented only 1.2 percent of total U.S. government research expenditures. In other words, the transportation of agricultural commodities carries 10 percent of the total U.S. transportation burden, but receives federal government research attention amounting only to 1.2 percent. This inequity might be justifiable if we had no problems in agricultural transportation. Rather, on the contrary, we are all very aware that this is just not the case. In fact, this big industry has big problems requiring, in my opinion, a bigger commitment on the part of all state and federal agencies concerned with transportation. The problems are and will be getting bigger. It's interesting to note that the USDA's budget for transportation research had been cut by almost a half-million dollars from 1972 to 1974. (It gives me a great deal of pleasure and pride to say that where the problems come home to roost, for example, in the state of North Dakota, the trend is the reverse.)

If we are in or approaching a new era for American agriculture requiring the movement and handling of agricultural product volumes previously unimagined, as some experts predict, we must complement this new horizon with a new era for agricultural transportation research. However, this new era for research is perhaps even more necessary if these last two years are, as some say, just a flash in the pan and American agriculture will return to "normal" years represented by large surpluses and extremely competitive world markets. Or perhaps the future holds, as even some other experts contend, that the demand for American agricultural products is going to be cyclical, characterized by surplus-scarcity-surplus-scarcity conditions. Boom or bust, it's critical that consumers, as well as agricultural product producers and state and federal policymakers, recognize and accept the challenge and take needed action to stimulate and encourage a new era for agricultural transportation research. In the interest of all Americans, the primary objective of this research effort is to utilize its professional and financial resources to insure that the future of agriculture in the United States is neither constrained, limited, or burdened by its agricultural product transportation and handling system; it is in our national and international interest to show America and the world that the future of agriculture is limited only by the ability to produce and consume, not by the inability to deliver. I believe that American consumers have yet to recognize that an inefficient and high cost food transportation system

is as much a burden on them as it is on the producer of agricultural products: inefficient and high cost service is both passed back to producers and passed forward to consumers. It must be emphasized that America's new commitment to agricultural transportation research will provide benefits to both producers and consumers of American agricultural products.

There is currently great activity in Washington to develop a National Transportation Policy. As my contribution, I am calling for a National Agricultural (Food) Transportation Policy. If we're selling it to producers we're going to refer to it as an Agricultural Transportation Policy; if we're selling it to consumers, we're going to call it a Food Transportation Policy. Such a policy is necessary for several reasons:

(1) The importance of agriculture and the importance of transportation to the American economy and the American way of life is self-evident.

(2) Likely 99 percent of all the food produced in the United States is virtually worthless to both producers and consumers without transportation.

(3) An efficient agricultural transportation system that is responsive to changing market requirements can be an effective competitive tool in the world agricultural market.

(4) Our national balance of payments and therefore the very viability of our economy is becoming more and more dependent upon agricultural product exports.

(5) As was witnessed in recent years, America's agricultural capabilities can be an effective peacemaker in the world.

(6) For lack of a better way to put it, at today's prices two bushels of wheat equal one barrel of oil.

(7) The economic dependency on agriculture and transportation is even more critical on the individual state or regional level.

(8) With today's declining farm prices and rising input costs the cost of transportation can significantly influence production decisions; that is, low transportation costs can be an incentive for higher production.

(9) With fuel, labor, and general inflationary cost increases, transportation will likely be taking bigger and bigger bites out of the consumer dollar in the future.

I guess what it all comes down to is that I'm recommending that agricultural transportation be given its just recognition at the national level. I believe it's an all too obvious fact that this part of our economy has forever gone unnoticed and has been taken for granted. One can only imagine the terrifying results should the wheels of our food delivery system come to a halt for whatever reason.

But the wheels are squeaking, grinding, and wobbling under the awesome responsibility to "carry the commerce of the nation."

The most obvious signs of this weakness in our transportation system include the northeast rail crisis involving the near shutting down of the Penn Central and five other bankrupt railroads -- railroads which haul approximately one-fifth of all the nation's freight; several midwestern railroads which are operating at substantial deficits; and recent shutdowns by independent truckers protesting uncontrolled high fuel costs.

People -- and I include myself in this category -- have a tendency to ignore and become apathetic to problems until they reach crisis proportions. But, surely, it doesn't take a wizard to look down the road and see that some day there will be no fossil fuels to power our traditional transportation system. They will at some point in time, simply cease to exist. However, even before that day comes, our transportation system will go through an entire series of crises: beginning with exponentially rising fuel costs as the fuels become more scarce, reaching a point in time when available fuels will have to be rationed or allocated to priority users with transportation likely being on the priority list, and then finally, just before the great disappearance act, the priority list will get shorter and shorter until our agricultural export transportation system falls off the list and it is pronounced illegal for trucks to transport commodities in excess of, e.g., 200 miles. But many argue that that day will never come; science and technology will save us. But recall these earlier statistics? In 1974 the U.S. federal government spent approximately $17.6 billion on"science and technology." Of this $17.6 billion, $865 million went to

transportation "science and technology" and of this $865 million, a little over $10 million was allocated to agricultural transportation "science and technology." In other words, the federal government is currently devoting 0.059 percent of its total research effort toward agricultural transportation "science and technology." To perhaps put it in a more perspective fashion, out of every thousand dollars spent by the federal government on science and technology $49 is spent on transportation science and technology and 59 cents on agricultural transportation science and technology. This, in support of an industry which takes 20 cents out of every dollar the average wage earner makes.

All of this is little more than "sour grapes." However, a concerted, comprehensive effort must be taken to find solutions today to agricultural transportation problems facing the United States: the public will simply not permit us to hide behind the "59 cents-per-thousand-dollar excuse," if one day the farmer wakes up and finds bulging storage facilities and the consumer a bare cupboard.

There is little doubt that agricultural transportation should be and is a national concern. However, for a region or a state which not only terminates the finished food product but originates the raw food product, the importance of agricultural transportation takes on critical proportions. The remainder of this discussion will deal just with one part of North Dakota's transportation system: the importance of the motor carrier to North Dakota and, therefore, the importance of North Dakota's roads.

In 1973-74 the agricultural exempt motor carrier loaded and transported to market $180,783,000 worth of hard red spring wheat, $46,300,000 worth of durum, $57,926,000 worth of barley, $18,673,000 worth of oats, $3,168,000 worth of rye, and $39,815,000 worth of flax. For all grains, including miscellaneous grains, the agricultural exempt motor carrier provided a service to North Dakota farmers which resulted in a realized income for these farmers of $381,951,000 in 1973-74 (Tables 5-A through 5-G). To accomplish this feat, it took 114,136 truck loads for an average of 313 truck loads each day, 365 days a year (Table 5-H). There is another important aspect to this industry in that if one assumes an average charge of 40 cents per bushel, the agricultural exempt motor carrier industry would generate a gross income exceeding $40 million per year for just the transportation of North Dakota grain. Essentially, this same type of individual and firm transported to market in 1973 $353,959,000 worth of North Dakota cattle and calves; $7,508,000 worth of sheep and lambs; and $39,228,000 worth of hogs; the total of all livestock exceeding $400 million annually.

Adding in miscellaneous grains, potatoes, sugar beets, chickens, etc., the "worth" of the agricultural trucker to North Dakota would in all likelihood exceed $1 billion per year.

There is another part of America's food delivery system: the movement of farm products from the farm gate to local market. In 1973-74 North Dakota country elevators transported to market

TABLE 5

ORIGIN, DESTINATION AND VALUE OF GRAIN TRUCKED FROM NORTH DAKOTA, 1973-74

5-A Hard Red Spring

CRD	Dul./Sup.	Mpls./St.P.	West	Misc.	Total	Estimated[1] Farm Value
			(000 bu.)			($000)
1	1,041	1,270	690	553	3,554	15,211
2	1,418	447	47	96	2,008	8,594
3	9,822	1,146	13	266	11,248	48,141
4	353	546	90	228	1,216	5,204
5	965	1,197	17	438	2,617	11,201
6	7,019	4,150	39	424	11,631	49,781
7	665	3,853	362	481	5,360	22,941
8	464	1,025	3	242	1,734	7,422
9	940	1,568	3	360	2,871	12,288
STATE	22,685	15,202	1,263	3,088	42,239	180,783

Footnotes for Tables 5A - 5F appear on page 27.

TABLE 5 (Continued)

5-B Durum

CRD	Dul./Sup.	Mpls./St.P.	West	Misc.	Total	Estimated [2] Farm Value
			(000 bu.)			($000)
1	480	224	233	567	1,504	9,280
2	2,071	261	6	532	2,870	17,708
3	1,162	116	21	568	1,867	11,519
4	74	280	--	14	368	2,271
5	201	112	--	33	346	2,135
6	114	62	--	2	178	1,098
7	71	66	3	16	155	956
8	14	31	3	--	48	296
9	40	96	--	32	168	1,037
STATE	4,227	1,248	265	1,763	7,504	46,300

TABLE 5 (Continued)

CRD	5-C Barley					Estimated[3] Farm Value
	Dul./Sup.	Mpls./St.P.	West	Misc.	Total	
			(000 bu.)			($000)
1	153	16	559	247	975	2,038
2	703	62	567	507	1,839	3,844
3	9,154	337	344	2,479	12,314	25,736
4	20	11	153	39	223	466
5	923	198	128	80	1,329	2,778
6	5,394	540	112	1,631	7,677	16,045
7	67	4	707	954	1,732	3,620
8	16	17	155	52	241	504
9	998	154	102	131	1,386	2,897
STATE	17,429	1,339	2,828	6,120	27,716	57,926

TABLE 5 (Continued)

5-D Oats

CRD	Dul./Sup.	Mpls./St.P.	West	Misc.	Total	Estimated[4] Farm Value
			(000 bu.)			($000)
1	198	237	1,164	543	2,142	2,356
2	1,344	438	949	160	2,890	3,179
3	2,142	469	101	82	2,794	3,073
4	186	36	190	20	432	475
5	593	187	70	123	973	1,070
6	1,826	1,528	186	308	3,847	4,232
7	51	10	407	1,005	1,472	1,619
8	41	12	201	65	319	351
9	452	1,139	65	451	2,107	2,318
STATE	6,831	4,056	3,332	2,756	16,975	18,673

TABLE 5 (Continued)

5-E Rye

CRD	Dul./Sup.	Mpls./St.P.	West	Misc.	Total	Estimated[5] Farm Value
			(000 bu.)			($000)
1	64	24	46	3	137	285
2	211	1	42	4	258	537
3	26	--	--	3	28	58
4	16	9	13	2	41	85
5	209	6	2	4	221	460
6	87	9	2	12	110	229
7	87	5	29	38	158	329
8	34	10	4	3	52	108
9	411	92	5	10	518	1,077
STATE	1,146	155	143	79	1,523	3,168

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TABLE 5 (Continued)

5-F Flax

CRD	Dul./Sup.	Mpls./St.P.	West	Misc.	Total	Estimated[6] Farm Value
			(000 bu.)			($000)
1	7	487	24	20	539	4,107
2	107	909	15	7	1,038	7,910
3	58	641	--	62	761	5,799
4	34	172	46	22	275	2,096
5	43	652	1	15	711	5,418
6	18	596	1	98	713	5,433
7	2	58	--	7	67	511
8	1	152	4	16	173	1,318
9	59	834	--	56	948	7,224
STATE	329	4,501	91	303	5,225	39,815

TABLE 5 (Continued)

5-G All Grain* **

CRD	Dul./Sup.	Mpls./St.P.	West	Misc.	Total	Estimated Farm Value
			(000 bu.)			($000)
1	1,944	2,258	2,904	1,932	9,038	30,966
2	5,858	2,118	1,719	1,307	11,002	37,695
3	22,945	2,785	489	3,680	29,900	102,442
4	685	1,053	588	325	2,651	9,083
5	2,976	2,377	303	717	6,373	21,835
6	17,029	7,563	512	4,250	29,354	100,571
7	943	3,996	1,604	2,607	9,149	31,346
8	569	1,248	395	380	2,592	8,881
9	3,604	4,415	884	2,521	11,424	39,140
STATE	56,552	27,812	9,398	17,718	111,481	381,951

*Includes Commodity Credit Corporation shipments.

**Includes HRS, Durum, Barley, Oats, Rye, Flax and Misc. grains

TABLE 5 (Continued)

5-H Total Truck Loads

CRD	Dul./Sup.	Mpls./St.P.	West	Misc.	Total
			(000 bu.)		
1	2,297	2,857	2,622	2,116	9,892
2	6,159	2,406	1,451	1,396	11,412
3	22,434	3,038	440	3,862	29,774
4	722	1,413	549	364	3,048
5	3,060	2,863	270	814	7,007
6	15,125	8,220	411	4,244	28,000
7	1,146	5,127	1,551	2,430	10,254
8	671	1,595	308	440	3,014
9	3,523	4,753	936	2,523	11,735
STATE	55,137	32,272	8,538	18,189	114,136

[1]1973-74 average farm price = $4.28

[2]1973-74 average farm price = $6.17

[3]1973-74 average farm price = $2.09

[4]1973-74 average farm price = $1.10

[5]1973-74 average farm price = $2.08

[6]1973-74 average farm price = $7.62

411,381,000 bushels of grain. Assuming that this same volume was received during that year and taking an average farm truck load of 241 bushels, total farm truck loads during 1973-74 would have been in the neighborhood of 1,700,000. This would represent a rate of 4,650 truck loads per day, 365 days a year. At an average cost of 5 cents per bushel, North Dakota grain producers would have spent over $20 million in 1973-74 just to get their grain to the local country elevator. In every sense of the term, North Dakota's road system is an integral part of feeding America and the world. The movement of grain produced in North Dakota to local markets via farm truck has far reaching impacts and implications. The impact on the individual farmer-producer includes the cost of moving grain to local market, the capability to deliver in a manner consistent with marketing strategies and labor concerns. In addition, the movement of grain from farm to local market has impacts and implications for more than just the farmer producer: a road and highway system capable of meeting the demands for such movement is necessary, requiring large initial investment and continued maintenance; purchase of gasoline, tires, batteries, etc., and trucks themselves in local communities; and, problems and bottlenecks occuring in farm to local market movements are transmitted throughout the grain marketing system. The transportation of grain from farm to local market is the first step and an integral part of the United States' and the world's grain transportation system. Therefore, any changes or problems that might occur during the initial movement

of grain off the farm would have implications and consequences for the remainder of the grain handling and transportation system. Without the thousands of small North Dakota farm trucks, North Dakota's bountiful and profitable grain harvest would be, for all practical purposes, inaccessible and useless to both producers and consumers. The road to a healthier world and a stronger U.S. economy is, in every sense of the word, rural.

Senator BURDICK. Thank you very much. Our next witness will be Hon. Chester Reiten, the mayor of the city of Minot. Good to see you again, Mayor. I seem to see you every week.

STATEMENT OF HON. CHESTER REITEN, MAYOR, CITY OF MINOT

Mayor REITEN You're welcome back to Minot every week, Senator. And Senator Randolph, you, too.

Chairman Randolph, Senator Burdick, it is my pleasure as mayor of the city of Minot and as a State senator from the 5th District of North Dakota to represent the North Dakota League of Cities at this hearing. First, Mr. Chairman, let me express North Dakota's and Minot's appreciation for your holding this hearing on rural transportation in Minot. We sometimes feel that the people in Washington really don't think we exist in North Dakota, so when you come to our fair State for a hearing on rural transportation, we are quite pleased and proud.

There are three points that I would like to make on behalf of the cities in North Dakota and rural transportation: First, I would like to offer support for the development of Highway 2; second, the Federal Highway Administration and the North Dakota Highway Department basically provide good service to North Dakota cities; third, I would like to say, on the other hand, that there are some areas where improvements could be made, and although my purpose is not to criticize, I would like to point out some problems, the correction of which by Federal legislation would strengthen the support the Federal Highway Administration and the highway department can give to rural transportation and smaller units of government.

In this latter regard, the Federal Highway Act of 1973 refers to "urbanized areas" and defines those as having "50,000 or more population." Now in North Dakota we have 4 cities larger than 30,000 population; Fargo is over 50,000; Bismarck and Grand Forks are 45,000 and 42,000, respectively, and Minot is 36,000. The differences between these four cities' problems of transportation are minute. Yet Fargo at 50,000 population receives more benefits in terms of financial assistance from the Federal Government than the other three cities. What it basically amounts to is that the Federal Government regards a community of 50,000 as being a city and a community of under 50,000 as not being a city.

There is a basic inequity there that goes beyond the difficulties of trying to define a city by population. The intents of the legislation may be very appropriate for Ohio or New Jersey, but totally inappropriate for North Dakota. While we realize that much of the Federal Aid programs are emphasizing assistance to big cities and lowering the population definition of a city to, say, 25,000 would substantially increase the number of cities receiving aid, thereby reducing the amount of aid the larger cities get, I would suggest to you that some change in the system needs to be made. If a way could be made to provide flexibility on the part of the Federal Highway Administration in terms of defining a city, then progress would have been made. Take a look at Grand Forks and Minot, in comparison to Fargo. Both of these cities have military installations on their outskirts, not counted in their population totals by the U.S.

Bureau of the Census, but which add vehicles and traffic and the kinds of problems that the U.S. Congress has agreed exists in cities of 50,000 population or more. But neither of these cities is recognized as having these kinds of problems. So no Federal aid to "cities" is offered.

Minot has an air base with 24,000 people, again not counted in our 36,000 population. Combined we have 60,000 people, Grand Forks has a population of 42,000 and an air base of 18,000 people. Combined, they have a population of 60,000. Fargo, however, has a population of approximately 55,000 and is considered to be a city, having more traffic problems than Grand Forks and Minot. It consequently receives more in terms of Federal Aid for Transportation.

This same kind or a problem crops up on the Mass Transportation Act. The cities that are able to obtain 50 percent operating subsidies are over 50,000 in population and the cities that receive favored treatment in terms of 80 percent Federal grants are also in that population category. If I may, Mr. Chairman, let me read to you a section of the Mass Transit Act that illustrates my cause for concern for the acts' built-in inequity:

> It is declared to be in the national interest to *encourage and promote the development of transportation* systems, embracing various modes of transport in a manner that will serve the states and local communities efficiently and effectively.

The act continues,

> To accomplish this objective the Secretary shall cooperate with the States in the development of long-range plans and programs * * * with due consideration to their probable effect on the future development of *urban areas of more than 50,000.*

The Federal grant for any construction project under this act is up to 80 percent of the cost of the construction project. The Federal grant for the payment of subsidies for operating expense is 50 percent of the cost. Both are very good programs. But only cities of 50,000 people or larger appear eligible for operations subsidies. The smaller city has to scramble harder to obtain similar assistance. And many times the smaller city does not obtain similar assistance. And many times the smaller city does not have the front-end capital or staff necessary to compete well.

However, Minot was one of the five original cities in the country to apply for Federal mass transit aid using the Federal Highway "Urban Systems" money with the cooperation of the North Dakota Highway Department. The other cities were quite a bit larger, being Chicago, San Francisco, Washington, D.C., and New York City. The North Dakota Highway Department is to be commended here as certainly the most rural department attempting to use Urban Systems money for mass transit. This, by the way, Mr. Chairman, was an important change made by the Congress to help smaller cities.

The third point I'd like to make is to support the further development of Highway 2, east to west. I don't know, Mr. Chairman, if you've had the opportunity to drive Highway 2 from east to west, from Duluth to Everett, Wash. But it is a totally gorgeous drive, one that connects a number of important cities in northern Minnesota, North Dakota, Montana, Idaho, and Washington. Most of these communities are not served by the interstate system, again that

system serving the larger cities. One of the original intents of the interstate system of highways was a defense highway. Yet, there are air bases at Grand Forks, Minot, and Great Falls that are unconnected in an east-west interstate system. They should be connected.

Perhaps the best solution is to amend the Federal Highway Acts, the Mass Transit Acts, and the authorizing legislation for the Interstate System to include in the definition of urban areas and the definition of eligible areas for interstate linking "those cities that exceed 50,000 in population when military installations within 15 miles are included in the population count."

In closing, Mr. Chairman, the U.S. Senate Public Works Committee considers appropriations for the Corps of Engineers flood control projects. You are here while we are experiencing the last stages of a successful flood fight, our fifth in 7 years and our second in a row. I would wish that our community were clean and neat for your visit, but a flood fight that requires $3 million in Federal, State, and local expenditures to protect $32 million worth of property is a substantial effort and is, frankly, a mess. It's only pleasant when you consider what might have been. But I invite you to take a look at the area while you are here. You'll hear a lot more about the Souris River flood control project and the Burlington Dam to prevent reoccurrences of such expenses and problems.

On behalf of the League of Cities and the city of Minot, again let me thank you for holding this hearing in Minot and in North Dakota.

Senator RANDOLPH. You are very articulate and very convincing.

Mayor REITEN. We appreciate you coming. Don't wait that many more years before you come back. Thank you.

Senator BURDICK. Is Peter B. Wold, past president, North Dakota Association of County Engineers here? And Donald Hanson, North Dakota County Commissioners.

STATEMENT OF PETER B. WOLD, COUNTY ENGINEERS ASSOCIATION OF NORTH DAKOTA

Mr. WOLD. I wish to address the committee to three problems that engineers face in the design and construction of Federal-aid secondary highway projects: (1) Environmental problems, (2) county needs, and (3) stable highway program.

ENVIRONMENTAL PROBLEMS

The entire highway program and particularly the Federal-aid aspects involve a certain amount of redtape. A portion of this is reasonable, but there are several areas where the requirements of the act are particularly cumbersome. One specific area is the environmental clearance procedure required on county projects with minor environmental impact. The environmental process has delayed many projects, in some cases restricted construction totally.

The greatest obstacle to advancing a Federal-aid project that can possibly occur is finding that right-of-way is required through a tract of public land requiring application of section 4f of the Transportation Act. It is required under this section that an environmental statement be prepared, including a 4f section relating to the effect

upon the public land area. To illustrate the delay that occurs in projects with such involvement, three county Federal-aid secondary projects have been in the process for periods ranging from 2 to over 3 years. The initial project clearance steps on one project were initiated in March of 1970. Despite all efforts by the county and the State Highway Department and the congressional delegation from North Dakota, clearance under section 4f for the acquisition of 0.8 acre of land through a Fish and Wildlife tract have not been secured. The county and State have agreed with and complied with all requirements, comments, or suggestions that have been offered by commenting agencies, including the Fish and Wildlife Service. The local people are much concerned. The county commissioners have been faced with delegations of people interested and affected by this road and yet cannot furnish an estimated date when the Federal Highway Administration will grant approval for acquisition of this tract from the Department of the Interior. In the period that this project has been delayed construction costs have nearly doubled.

In my own county, in September of 1972, we started preliminary engineering on an FAS project that crosses 1¾ miles of State forest land. Since BOR funds were used in purchasing this land some years back, it required 6f and 4f clearances. The amount of land that was required by the county for right-of-way purpose with fee simple title is 5.9 acres. Since the new alignment of the project cuts out many curves, the county is deeding back to the State forest service 6.8 acres of land no longer required for the project. Within the forest service area, we are also acquiring 20 acres of temporary construction easements, which will revert back to the forest service when construction is completed.

On February 24, 1975, the final distribution of the environmental impact statement was distributed. [An attachment of the sequence of events from February 22, 1973, to February 24, 1975, is attached]. It is now proposed that this project will be up for bid in June of 1975. Our estimate of cost for this project in September of 1972 was $230,000; our estimate today for the same project is $380,000.

In the State of North Dakota the U.S. Fish and Wildlife Service has acquired approximately 11,000 wetlands easements on slough or wetlands area. At this point coordination has been effected with highway construction and this agency. We are much alarmed with the efforts of the Department of the Interior at the Federal level to have these wetlands easements fall under the requirements of section 4f. Should this occur, we would expect a 2- and 3-year delay before any right-of-way could be acquired through these areas. The total county Federal-aid program would basically be eliminated.

It seems feasible that the liberalization of the stringent requirements of section 4f is in order particularly where the owning agency is completely satisfied with mitigating provision and would readily give approval for the use of right of way through these tracts. There certainly is need for some provision such as the 4f requirements where large-scale highway projects pass through large public lands tracts where the effects of such highway construction would be major. However, some discretion should certainly be applied according to the scope of the project involved and the extent of the public land tract.

COUNTY NEEDS

Rural North Dakota counties have many transportation needs to meet their everyday functions, including moving their commodities from the farms to the major centers of the Nation and carrying on their everyday activities.

All-weather-type road surfaces are a must. With the advent of modern-day vehicles, dirt roads are no longer acceptable or economical. To keep a steady flow of the agriculture products from farms to the consumer, the basic link of our transportation system must be as functional to the farmer as the interstate is to the cross-country trucker.

Consistent to sound policy and long-range planning the North Dakota Legislature provides a statute under which the people in any county can vote and tax themselves up to 10 mills to match Federal aid in a road-improvement program. These road-improvement programs include grading and aggregate surfacing, bituminous surfacing, and major structures. At this time 42 of our 53 counties in our State have done so.

Most of the programs were set up based on a matching basis of 70 percent Federal to 30 percent local funds as is stipulated in the present Highway Act. The counties now under the mill levies raise approximately $3.4 million annually. In addition taxes for county bridge funds bring in another $2 million per year. This gives the counties a total of $5,400,000 per year to match the Federal-aid portion. The problem—our total State allocation from the Federal funds is $2,500,000—instead of the planned 70 to 30 basis of matching funds has turned out to be 30 to 70 percent basis—the opposite way.

In my own county, we have the funds to construct our roads and bridges as originally planned on the cost-sharing basis. Since the cost-sharing basis has reversed itself, we are putting up the 70 percent to the Federal 30 percent. Our program is now 2 years behind schedule and will continue to fall further behind if the matching funds cannot be increased. Probably the biggest crisis is our bridges. You can travel over a road that needs improvement quite safely, but to do the same over a bridge in need of replacement could be disastrous.

North Dakota can construct its system of roads and bridges if the matching funds can be brought into its original matching plan. With the funds which the counties generate by taxing themselves, we need $12,600,000 to match our $5,400,000.

PROGRAM STABILITY

In terms of dollar volume, construction is the Nation's largest industry. Highway construction is a large part of this industry. Highway construction in North Dakota is a large part of this industry, and has a strong effect on our economy and employment.

Like any other industry, construction functions best when it functions smoothly. I feel it is critical that a stable highway act be implemented to last over a period of years, an act that would show a stable flow of funds and would allow the governmental identities to plan their programs ahead. In the past it has been a year-to-year basis. In 1973 no act was passed for 18 months. Local counties and State government have set up their financing to match the Federal funds

expected for a period of up to 20 years. It seems only right the Federal Government should have a like plan for funding.

[Attachments to Mr. Wold's statement follow:]

SEQUENCE OF EVENTS—CRS-538(6), BOTTINEAU COUNTY

February 22, 1973—Date of Wold's Environment Declaration.
March 23, 1973—Letter from Forest Service (W. Pasicznyk)-Review of Wold's Declaration.
April 6, 1973—Letter to Forest Service (in answer to Pasicznyk review).
May 3, 1973—Copies of replies to draft sent to Wold Engineering.
August 27, 1973—Letter from BSF&W, review of Wold's Declaration.
November 7, 1973—Letter from Forest Service stating no impact (Wold's EIS).
January 17, 1974—Letter from F.H.W.A. (comments on preliminary draft).
March 8, 1974—Date of availability to C.E.Q.
March 25, 1974—Draft EIS distributed from Secondary Roads for comments. *Replies Received:* F.H.W.A. (April 12, 1974)—concerning Secretary of Interior. National Park Service-concerning Peace Gardens. BOR (April 8, 1974)—concerning 6F. Department of Agriculture (April 17, 1974). National Park Service (April 1, 1974). Corps of Engineers (April 8, 1974).
April 25, 1974—Meeting with BOR on 6F. Deadline for comments on draft EIS.
April 30, 1974—Public hearing Bottineau Court House.
June 6, 1974—Letter to F.H.W.A. on hearing requirements and review letter received from F.H.W.A.
June 10, 1974—Resolution from Bottineau County regarding land exchange.
July 12, 1974—Breakdown of wetlands and forest service lands received from Wold Engineering.
August 22, 1974—Letter of exchange authorization received from Board of Higher Education.
September 10, 1974—Preliminary copy of EIS Final to FHWA for review.
October 4, 1974—Final EIS to FHWA (17 copies).
October 3, 1974—FHWA allowed 45 days for Department of Interior to comment. Expiration date—December 7, 1974.
December 6, 1974—Letter to FHWA stating no additional comments or questions received from the Department of Interior regarding EIS of project. Letter from Secondary Roads.
December 31, 1974—Final EIS approved by FHWA—Denver.
January 10, 1975—Discussed with FHWA. Statement approval expected soon.
January 24, 1975—No approval received to date.
February 4, 1975—FHWA (Steinke) to Rex Wells tomorrow to CEQ Friday or Monday.
February 5, 1975—Additional estimates furnished FHWA per request (alternate locations).
February 3, 1975—Letter from Milton Young to Department of Transportation.
February 19, 1975—Approval from Department of Transportation. Sent to CEQ.
February 20, 1975—Letter from Department of Transportation to Seaworth (distribution letter).
February 24, 1975—Final distribution on EIS by Secondary Roads.
February 24, 1975—Response to Senator Young's letter of 2-3-75.

STATEMENT OF DONALD F. HANSON, STATE PRESIDENT, NORTH DAKOTA ASSOCIATION OF COUNTY COMMISSIONERS

Mr. HANSON. County government in North Dakota is primarily responsible for maintaining, modifying, or rebuilding 17,840 miles of arterial secondary roads which link local, city, and township roads with our State and Federal road systems. In addition, the counties are responsible for partial participation in the construction and maintenance costs of 57,120 miles of township roads in both organized and unorganized townships. Also included in this responsibility is the repair and reconstruction of 7,845 bridges.

Over the years the counties along with the State highway department have developed a construction program which is funded annually

by a $2.5 million in Federal funds along with county-matching funds. The county-matching funds were made available by the State legislature when legislation was passed which authorizes county voters to vote on the question of authorizing a property tax mill levy—not to exceed ten mills—for matching Federal highway funds. At the present time 42 of the 53 counties are participating in this Federal-county-matching program. Under these programs it has been possible for the counties to develop a county road program which adheres to the needs of a changing society. However, inflation and rising construction costs have caused a slowdown in the completion of many of the Federal cost-sharing projects.

Besides providing roads to facilitate the marketing of our agricultural products, we also provide highways serving new developments in oil, electrical generation, coal gasification, Federal ABM sites, and two major military installations. These new industries have drastically increased demands for more and better county and township roads. Local agencies do not have the funds available for the financing of extensive road-improvement programs.

Many of the bridges located in the rural areas are in desperate need of replacement. During 1972 and 1973 all of the bridges and major drainage structures of North Dakota were inventoried. It was found that of the total of 7,845 bridges half needed replacement because of inadequate load capacity or because they were so narrow that they constituted a traffic hazard. It seems that the present replacement program is not adequate and that some consideration should be given on the Federal level of government to make additional funds available for the construction of replacement bridges.

It is important to North Dakota county governments that there be a continuation of the Federal-aid programs for secondary roads, as any change in the present financing of our county highway system could totally shift the financial responsibility for certain county roads to county government. This could lead to a deterioration of our existing system, when we consider that county government funding is dependent upon the evermore burdensome local property tax. As a specific example: In my home county of Renville we need replacement of at least two large bridges across the Souris River, each of which is 200 feet or more in length. The approximate cost of a bridge of such size is currently in the neighborhood of one-quarter of a million dollars. We would find it impossible to fund new structures of this magnitude over and above our normal county obligations without going deeply into debt and jeopardizing our fiscal stability.

It is hoped that the 1975 Federal Highway Act will provide for a continuation of the financing of our existing road programs along with an expanded bridge-building program. It is important to county government to know what the Federal program for aid to secondary roads is going to be in the next 5 to 10 years, as we need this leadtime to properly program and provide our counties with an adequate secondary road system.

Senator BURDICK. Thank you very much.

Senator RANDOLPH. Thank you, both of you, sirs. You have been very helpful.

Senator BURDICK. Next witness is Dale Anderson, Greater North Dakota Association Agricultural Department, Fargo, N. Dak.

Thanks for your patience, Dale.

STATEMENT OF DALE ANDERSON, GREATER NORTH DAKOTA ASSOCIATION

Mr. ANDERSON. Thank you, Senator Burdick, for the opportunity to appear at the hearing today.

I have with me the statement of Mr. George M. Johnson, the immediate past president of the Greater North Dakota Association, and with your permission I would like to file that statement for the record.

Senator BURDICK. The statement will be made a part of the record.

[The statement referred to follows:]

STATEMENT
On
PROBLEMS OF RURAL TRANSPORTATION
Before The*
Subcommittee on Transportation
Of The
United States Senate
At A Field Hearing At
Minot, North Dakota
For The
Greater North Dakota Association
By
George M. Johnson*

The Greater North Dakota Association - State Chamber of Commerce appreciates this opportunity to discuss transportation problems facing rural America with the Subcommittee on Transportation. The Greater North Dakota Association, composed of more than 2,800 members, including farmers, business firms, chambers of commerce and trade and professional associations has, since its inception in 1925, been a leading proponent of a modern, efficient and responsive transportation system for the continued viability of the entire state. In fact, one of the purposes of the Greater North Dakota Association, as expressed in its Articles of Incorporation, is "to encourage the structure and maintenance at a minimum expense, of good roads in North Dakota, and assist in securing of legislation which will make available Federal aid in construction of highways in the state, and such further legislation with reference to highways of the state as may from time to time be necessary."

Few deny the importance of transportation to the economic, social and political well-being of a nation. A U. S. Senate Committee on Interstate and Foreign Commerce was conducting a review of National transportation policy. The group concluded that: "Transportation is one of the tools required by civilized man to bring order out of chaos. It reaches every phase of our existence. Viewed from every standpoint, it is unquestionably the most important industry in the world." If

*Immediate Past President, Greater North Dakota Association, Johnson is President, First National Bank, Minot, North Dakota

transportation is the most important industry in the world, it is certainly a vital component in any program designed to enhance the level of economic activity and social well-being in rural America - North Dakota. In fact, transportation is relatively more important to North Dakota than other areas of rural America since transportation expense accounts for a larger proportion of the total value of the product at major markets. For example, during the past five years, from 15-25 percent of the value of grain from North Dakota points at terminal markets is transportation expense. The transportation system also has a significant impact on our ability to expand the processing of agricultural products produced in North Dakota - thereby providing job opportunities for the young men and women born, raised and educated in North Dakota to remain and contribute to, and benefit from, our high quality living. Therefore, transportation systems and policy can be a very effective mechanism to stimulate economic development in North Dakota and throughout rural America.

North Dakota is basically a rural state. Its economy is highly dependent upon agriculture. During the past five years, agriculture has generated at least 80 percent of the new wealth created in the state each year. Agriculture contributed over $2 billion of new wealth in the state's economy in both 1973 and 1974. Since the economy of the state is highly dependent upon one industry, its stability is directly related to the uncertain physical, technological and economic factors upon which agriculture is dependent. Stability can be increased through diversification. One important factor affecting diversification is an effective, reliable transportation system.

North Dakota is situated in a rather unique location, from a geographic point of view. First of all, it is land locked. Second, it is located approximately equi-distant from the Atlantic and Pacific Oceans and the Gulf Ports. Third, nearly all of the agricultural and other products produced must be shipped out for

processing, exporting and domestic consumption. Fourth, nearly all inputs used in agricultural production and consumer goods must be shipped in from locations outside of North Dakota. Therefore, all North Dakotans are affected by and familiar with transportation service, reliability and cost.

The contribution of a strong American agriculture to the nation and consumers of the world is obvious. It is important to the nation, not only as the source of our food and fiber, but also as a major export commodity to achieve a favorable balance of payments. We believe that American agriculture will become even more important in the future as a supplier of food and fiber to an ever increasing world population.

North Dakota is an important state in the production of agricultural products. North Dakota ranks first in the production of durum wheat, other spring wheat, barley, and flaxseed producing 90 percent, 49 percent, 24 percent and 45 percent respectively. North Dakota is second in the production of all wheat, producing about 15 percent of the U.S. total production. North Dakota is also an important state in the production of beef and beef products, sugar beets, potatoes and dry edible beans.

Two important agricultural commodities in the export market are durum and hard red spring wheat. For example, in 1973-74, 228 million bushels of hard red spring wheat were exported. In 1972-73, 65 million bushels of durum wheat were exported. In order to maintain our creditability with foreign countries as a reliable supplier of our high quality durum and hard red spring wheat, it is essential that every effort be made to provide a transportation system that is timely,responsive and reliable.

North Dakota is serviced by an Interstate, U.S. and State Highway system; the Burlington Northern, Soo and Milwaukee Railroads; and Northwest, North Central and Frontier airlines. The southern and eastern portions of the state are serviced by a railroad network, airline network and Interstate highways. These

areas of the state receive very good transportation service. However, the northern portion of the state is penalized because its highway system is extremely inadequate and outdated, even though rail and air transportation presently serves the region. This situation must be corrected.

The Greater North Dakota Association strongly urges Congress to establish a 10 year schedule for completion of a four-lane limited access U.S. Highway #2. The Board of Directors of GNDA passed a resolution in support of this action, a copy of which is attached to this statement as Appendix 1. The following factors support our urgency for establishing this schedule:

1. Approximately 40 percent of the value of all farm products is produced in the 18 counties in the northern portion of the state serviced by U.S. #2.
2. Approximately 75 percent of all durum wheat is produced in this area.
3. Approximately 50 percent of all wheat is produced in this area.
4. Approximately 50 percent of all barley is produced in this area.
5. U.S. #2 provides a major transportation system for the Air Force bases at Minot and Grand Forks and the Minuteman Missile system spread across North Dakota from Minot to Grand Forks.
6. There are many advantages for industrial and processing firms on U.S. #2 because of proximity to Canadian markets. For example, all points on U.S. #2 are closer to Winnipeg than to Minneapolis.
7. One of the major oil producing regions in North Dakota (Williston basin) is on U.S. #2.
8. A study analyzing the economic feasibility of processing pasta products in North Dakota concluded that North Dakota is in a competitive position as a possible site for future expansion of the pasta processing industry.

U.S. #2, located in the prime durum wheat producing area, would be essential to the accomplishment of pasta processing in North Dakota.

9. Recreational heritage and historical points of greatest interest exist in the area of U.S. #2. For example, Lake Metigoshe, Devils Lake, and Lake Sakakawea are serviced by U.S. #2. In addition, historical points such as Rugby as geographic center of North America and settlement at Pembina are significant.
10. U.S. #2 is in close proximity to the emerging coal production and energy production region of West Central and Southwestern North Dakota.

The population density in North Dakota is relatively low. Therefore, people-oriented transportation problems are relatively acute. The Greater North Dakota Association is cooperating with the Upper Great Plains Transportation Institute in a research program designed to analyze the feasibility of developing effective and convenient multi-modal transportation systems to increase the mobility of citizens living in rural communities to meet various needs. These problems are particularly prevalent among handicapped and senior citizens residing in comfortable, small town communities.

Another problem associated with transportation in a low population density area is energy utilization. This problem must be effectively addressed as energy conservation policies are considered and implemented.

The Greater North Dakota Association extends its appreciation to Senator Jennings Randolph for scheduling this hearing in North Dakota to consider rural transportation problems and opportunities. Thank you for this opportunity to express the views of the Greater North Dakota Association.

58-412 O - 75 - pt. 1 - 17

RESOLUTION

Appendix 1

WHEREAS, GNDA, since its inception in 1925, has been a leading proponent of a modern system of roads and highways for the continued viability of the entire state; and

WHEREAS, GNDA, seeks to promote, foster and encourage economic and industrial development throughout North Dakota; and

WHEREAS, a system of modern roads and highways is essential to attracting new industry to an area as well as sustaining present economic viability; and

WHEREAS, the leading centers in the production of durum, spring wheat, and barley are serviced by U.S. Highway 2; and

WHEREAS, 135 million bushels of spring wheat (70% of state total), 70 million bushels of durum (84% of state total), and 53 million bushels of barley (68% of state total) shipped out of North Dakota in 1972-73 originated in counties serviced by U.S. Highway 2; and

WHEREAS, trucks represent an important component of the grain transportation system in North Dakota, for the movement of grain and livestock as well as farm inputs, construction material, consumer goods, and petroleum products; and

WHEREAS, the present deplorable condition of U.S. Highway 2 detracts from the competitive advantage to the Northern half of North Dakota; and

WHEREAS, the importance of the natural resources in Western North Dakota to meet the nation's energy needs; and

WHEREAS, the North Dakota State Highway Department has designated U.S. Highway 2 as a priority primary route;

NOW, THEREFORE, BE IT RESOLVED by the Greater North Dakota Association that the North Dakota State Legislature, the North Dakota State Highway Department, and the U.S. Congress be requested to jointly establish a 10 year schedule for completion of a four lane limited access U.S. Highway 2.

ATTEST: Crockett

R. C. Crockett, President

Senator RANDOLPH. Thank you very much.

Senator BURDICK. Thank you and thank GNDA for their support. Our next witnesses are Harold Newman, president of the Outdoor Advertising Association of North Dakota and also owner of Newman Signs, Inc., Jamestown, N. Dak., and Bud Reierson, owner-manager of Tower City Texaco Service Station and Restaurant at Tower City, N. Dak.

STATEMENT OF HAROLD NEWMAN, PRESIDENT, OUTDOOR ADVERTISING ASSOCIATION OF NORTH DAKOTA

Mr. NEWMAN. My name is Harold Newman, president of the Outdoor Advertising Association of North Dakota and also owner of Newman Signs, Inc., Jamestown, N. Dak.

I appreciate very much the opportunity to appear before this congressional committee in their first public hearing in regard to the Highway Act of 1976. My purpose in appearing today is to discuss the matter of just compensation as provided for in the Highway Beautification Act of 1965 as amended. Our problem today facing the outdoor industry in North Dakota is unique in that North Dakota was one of the first States to adopt billboard control under the Beautification Act of 1965, and I will endeavor to point out some of the problems that exist in the act which have arisen due to differences in the interpretation of the law on national and local levels.

As you are fully aware, the Beautification Act of 1965 was approved on October 22, 1965. On December 3, 1965, the Highway Commissioner, by virtue of his authority under the assent statute controlled outdoor advertising structures along interstate and primary highway systems within North Dakota. Billboards are allowed within the State in areas around and adjacent to cities and intersections entering cities. The areas where signs were permissible adjacent to cities was based on a ring theory and also based on population of the city, as an example: A city of 15,000 people or over could have billboards erected within an 8-mile ring around the cities. This policy was continued by the North Dakota Highway Corridor Board which was created by compliance legislation enacted by our legislature on February 27, 1967. With each permit for erection of a new billboard from December 3, 1965, to January 31, 1972—an almost 7-year period—the outdoor advertising industry was forced to sign a waiver of just compensation for the previously referenced sign structures in the event they were later found not to be in as yet undefined, unzoned commercial areas. Without the permits the signs could not have been lawfully erected under State law.

This waiver of compensation—a copy of which I have attached—was of great concern to the industry. The outdoor advertising companies of North Dakota were faced with a decision to go out of business on December 3, 1965, or to continue in operation and take our chances on just compensation for the structures we had erected from that time on with possible relief from Congress later or a judicial decision in our favor.

On March 1, 1966, the Federal Highway Administration conducted one of the first hearings in the United States in the State capitol in Bismarck in regard to implementation of the Beautification Act. Our industry at that time surveyed the potential of the outdoor advertising industry in the State and determined that the ring theory previously mentioned was the best possible determination of an unzoned commercial and industrial area for North Dakota because our State is predominantly rural and very little commercial activity exists outside of cities. Until January 31, 1972, negotiations were being carried on between the North Dakota Highway Department, the Highway Corridor Board and the Federal Highway Administration in regard to an agreement covering control of outdoor advertising as required

by the Beautification Act. The delay of over 6 years was not anticipated by any of the parties involved. During this 6-year period the definition of an unzoned commercial industrial area was of great concern to all parties involved. Due to the Congress of the United States putting the Beautification Act and the removal of billboards on the back burner, so to speak, it appeared during this 6-year period these signs might be allowed to remain and serve the traveling public for which they were designed originally. But they will now have to be removed. Some of these permits expire during 1975 and some continue on into 1977.

It appears that the saving language of our industry was the Highway Act of 1975, subsection (g) of section 131 of title 23, United States Code, where it says, "Just compensation shall be paid upon the removal of any outdoor advertising display of device lawfully erected under State law." As you are keenly aware, this was an amendment to the act to provide just compensation for the signs erected during this so-called Hiatis period for structures erected lawfully under State law. It would appear to our industry that this language and the wisdom of Congress was such that this amendment was to solve the very problem that we have discussed here today. The North Dakota Legislature convened on January 4, 1975, and saw fit to amend our State law to conform to the Federal law. We have received some unofficial indication, however, that the Federal Highway Administration may not agree with the contention that these signs are to be compensated for and that it was Congress' intention to do so when they deliberated the Highway Act of 1975.

Thus, some clarification is necessary from the congressional level, and it is for that reason that I am here before you today. This question should not continue to be unanswered any longer.

In closing, I would again like to appeal to your sense of fairness in clarifying this situation as I can see no reason why signs should be erected on virtually a wholesale basis in many other States during this Hiatis period and be compensated for but the structures in North Dakota should come down without just compensation. I might add that under those conditions it would appear that North Dakota and our industry would be penalized for moving forward in good faith and controlling the erection of outdoor advertising structures.

Thank you for your time and consideration.

[An attachment to Mr. Newman's statement follows:]

PERMIT

Under no circumstances will the permittee be paid just compensation for the removal, changing, altering or modification of any sign, device or display erected by virtue of this permit and the permittee expressly waives his rights, if any, to such compensation.

Application No. 208-18-1. County, Cass. Route, I-94.

H. NEWMAN.
WALTER R. HJELLE, *Commissioner.*

Issuance date: April 25, 1969.

Senator BURDICK. Mr. Reierson, do you have a statement?

Mr. REIERSON. Yes, Senator I do.

Senator BURDICK. You may proceed.

STATEMENT OF BUD REIERSON, OWNER-MANAGER, TOWER CITY TEXACO SERVICE STATION

Mr. REIERSON. My name is Bud Reierson, owner-manager of Tower City Texaco Service Station and Restaurant at Tower City, N. Dak. I am also a member of the highway corridor board which is a board set up to control outdoor advertising within the State of North Dakota along the primary and interstate highways of our State.

I have been close to the problems caused by the Highway Beautification Act since 1965 and its inception. I feel that the State of North Dakota and the rural area have been grossly mistreated when it comes to exposure of our business' along the highways.

I have at the present time 14 billboards located adjacent to the Interstate Highway System in North Dakota and it is my understanding after visiting with highway department officials and sign operators that all of these signs will have to be removed in the near future. It is also my understanding that no new signs will be available to our company due to the fact that there are no commercial areas on the Interstate Highway System available for outdoor advertising structure at the present time. It is my understanding that the only commercial areas in which outdoor advertising structures will be allowed on some 360 miles on the east-west interstate across North Dakota are a total of 7 locations on which structures will be allowed.

Senator Randolph and members of the Committee, I would urge you to compare this problem that exists with the signs that the State of Pennsylvania or New York or virtually any State in the industrial east will have. The point I am trying to make is that there will be virtually unlimited use of outdoor advertising and signs for the traveling public in those states and virtually none in North Dakota where the problem did not exist originally.

It would appear to me, that unless you want to put the motel and tourist business operators in bad financially, that you should reexamine the areas where signs may go for those areas in the interest of the traveling public. It is my understanding the National Roadside Business Association, The American Motel Association and several other groups have submitted proposals that would allow tourist orientated signs to be installed along our interstate and primary system on private property. This particular type of sign was adopted by the House Committee on Public Roads, however, was rejected by the Senate committee during the last congressional session.

There have been some conversation in regard to the use of logo type of sign on the right-of-way installed by the Government itself. I feel this approach would be totally unfair and would not serve the traveling public in that the independent operator would be very much hindered by the fact that his logo would not be recognized similar to those of the major brands and I would not like to see this type implemented.

Senators and your committee, I appreciate the fact that I was able to speak here today and if there are any questions I would be very happy to answer them if possible.

Mr. NEWMAN. I am aware of the State act being passed. They take the position in view of the waiver being signed, should be estopped from receiving compensation. I think there's a serious question here

of the Federal act. As you know, says that just compensation shall be paid or lose 10 percent of their State highway funds. And I think that this situation should take the same jurisdiction as the Vermont case, where they withhold 10 percent of their money without paying. And I don't think it's fair for the State of North Dakota to be stuck with 100 percent of this cost. But I do feel very strongly that just compensation should be paid for these signs.

Senator RANDOLPH. What's the amount of money involved, Mr. Newman?

Mr. NEWMAN. The highway department estimates, appearing at the legislature, indicated that it was about $1,200,000 total, of which $300,000 would be State funds.

Senator RANDOLPH. Has this been brought to the attention of the committee or subcommittee prior to today?

Mr. NEWMAN. It has been brought to the attention of Mr. John O'Hara of the Subcommittee on Oversights on the House side and to this, as of today, we have not had an answer to our inquiry in regard to it. I think as a practical matter, it's a question of this committee, clarifying the language. The Federal law, as you know, says that signs lawfully erected under said law shall be compensated. Our contention, we did not break any law. We are lawfully erected under State law.

Senator RANDOLPH. The decision as it affects North Dakota, who signed that communication to the State?

Mr. NEWMAN. Mr. Les Lamm, the Director of Federal Highway Administration.

Senator RANDOLPH. Mr. Chairman, I think we can assure Mr. Newman that this will be a matter of priority with us on our return when even, prior to the 2d of June, when the Senate goes back into session. We'll ask you, Mr. Yago, along with the counsel for the committee, Mr. Meyer, to check this out very carefully. In this instance, we will give our personal attention to it as well as our official obligation, because you have spoken as you have heard today. I would rather reserve any comments except to say that it will not be overlooked, and that you will have some response from us.

Mr. NEWMAN. Very good. I appreciate that, and I did discuss this with Barry Meyer while both trying to catch an airplane in Chicago at a meeting we both attended, and he did say he was going to pursue it, too, and he's familiar with it, and I would be very happy to supply any information on our level to John and Barry, if you so desire.

Senator RANDOLPH. We'll attempt to recognize the urgency of the matter. And if there is inequity, why, we certainly will do what is necessary to correct it.

Mr. NEWMAN. We have already received notices, three signs that we should—that the highway department has informed us they want removed due to this very thing that I am referring to. So time is of the essence. Thank you.

Senator BURDICK. Mr. Reierson, do you have anything to add?

Mr. REIERSON. Only that I appreciate being able to present some of my views. And I'd be happy to try to answer any questions that you might have.

Senator RANDOLPH. I think outdoor advertising is a very legitimate form of advertising. I felt that always. There were certain

programs that we were attempting to place into being that would have to do with junked cars along the highways. You would understand that was a problem for us, would you not?

Mr. REIERSON. Yes. I guess I'd have to agree. I think also it's a way of life that the United States is going to have to salvage automobiles, but they are—I think, solving through recycling now the bodies and so on. We picked many of them from the Interstate for the Highway Patrol and impound them for them, so to speak.

Senator RANDOLPH. This can go on and on as we discuss it here today, but in West Virginia we have a program now called REEP. We have now removed 45,000 junked cars that were along our highways. We have a beautiful countryside in West Virginia and to obliterate it over and over again with junked cars is not right.

Mr. REIERSON. I see. You mean just abandoned vehicles?

Senator RANDOLPH. Absolutely. Everywhere throughout our State, on side roads or farm-to-market roads, and this has caused a very great problem throughout States everywhere. That program came into being, and we have used moneys from the Appalachian Regional Commission to take care of that problem; and we're making great progress. We have tried to give the opportunity for so-called informational signing to take care of a traveler as to food, lodging, and other opportunities for purchase. Of course, there are some people who wouldn't want any signs. You understand that?

Mr. REIERSON. Yes.

Senator RANDOLPH. I will give attention to it as much as I can. I try to be reasonable about signing.

Mr. REIERSON. I suppose, maybe my position may be a little unique. Senator Burdick knows where Tower City is. Have to look quite hard to find it on a North Dakota map. And the thing is, the regular people, regular customers we have, they know where we're at, but the travelling people, our population in Tower City, 280 people at the present time, between the cafe and station, we are employing about 60 people. The signs that we have presently I think have contributed greatly to our business. I would much sooner pay for Mr. Newman's signs than to have the Government spend the money that these other people have been up asking for. And I really don't feel—in visiting with a great number of people, we have stopping, probably 1 out of 50 would be opposed to highway signs, highway advertising. Why is it necessary for the Government to spend millions of dollars to take Mr. Newman out of business to probably reduce my business by taking these signs out?

In North Dakota where we have approximately 8,000 miles of primary and secondary roads, we have, I think, Harold—did you say about 2,500 signs presently in the State of North Dakota, I don't think anyone traveling through the State would find them offensive. I think those that have been unattended, a poor-quality sign, either have been removed by the highway department, or the winds. I know that I am proud of our signs. I am proud of the job Mr. Newman has done with his signs. We have probably more signs out than any like business in the three-State area. We think, that it's a real important part of our business. At the present time, as I understand it, when the Interstate was put in, there was no scenic easement from the Minnesota border to Dawson, which is approximately 150 miles.

This land that's lying outside of the Interstate System is privately owned. There was no compensation to the farmer. I probably—or Mr. Newman, pays x number of dollars for sign location. As a rule, they are in a fenced corner, in a slough, maybe he pays $10, maybe he pays $50 for a particular location, but that farmer is receiving many, many times over what he would receive in regard to cropping it. A lot of times it's on pasture land, so the farmers' cattle are eating right against that post. He isn't losing any money; he's gaining by it, and under the present situation, I as advertiser, would probably have got this billboard up to start with. I receive nothing. My employees will probably be fewer when those signs are removed. I don't feel that we're being treated very fairly.

Senator RANDOLPH. Let me ask another question. I am concerned when you are concerned with what we call legitimate advertising for business purposes. Now, are you saying that your problem is a problem that occurs in every State?

Mr. REIERSON. I would imagine it probably would in a rural community where the Interstate System has by-passed a small community. People traveling down the interstate don't go through that town. They don't know what that town has to offer. When you look at a map and you see towns the size of Fargo, Jamestown, Valley City, all the others, what we call metropolitan areas, you, as a traveler, know before you have arrived there that there's going to be a motel, there's going to be gas, food, and so on. But when you see a little tiny dot on the map. or probably it isn't there, you don't know what to expect unless we are able to tell the traveling public. And there's no other media that we can tell the traveling public what we have to offer other than highway signing.

Senator RANDOLPH. Senator Burdick, I think that what has been said by the two gentlemen gives us an obligation to go over these matters. That's all I can indicate at the time. I believe in the Highway-Beautification Act. I want you to know that I believe in it strongly, and yet I did not want to have legitimate business kept from prospering and I don't think that was the feeling of the Congress.

Now, if we have run into some situations here where really there is deterioration of business, maybe carrying asthetics too far and may need to pull back and look at this situation. That's what you are saying; isn't it?

Mr. REIERSON. Yes. I appreciate the fact you are out here in North Dakota. I know many people have had an ax to grind, but if we could only have an opportunity to take you people on these various committees, I know there's many things—but, like yourself, if you had an opportunity to drive down our highways and see the many, many miles that are—have no signing whatsoever, and the few signs that we have left, the majority of them are informative to the traveling public; and I think that's important. I think we have a place in the industry to have our signs.

Senator RANDOLPH. Mr. Chairman, this has been a second witness that will cause us to go back and review this subject.

Mr. NEWMAN. I just have one comment in regard to Mr. Reierson's testimony. There may be—it's from a technical standpoint, but we find that the demand for outdoor advertising and tourist industry related signs on the interstate more than on the primary, because the

primary does not cause a problem. There's hundreds of commercial areas where signs can go, and my remarks should be confined to the State of North Dakota. I am just not that familiar with other States, but there are hundreds of commercial areas that signs can go on the primary highway system, but there are very few on the Interstate System because access is controlled. Just don't have the commercial activity. I would say, if you do consider relief in that area, that it ought to be on the Interstate System, because I don't feel it as a problem on the other highways.

Senator RANDOLPH. Thank you very much.

Mr. NEWMAN. Thank you very much.

Senator BURDICK. Earlier today I called the name of Bruce L. Bartch. He didn't respond, and I understand now there's a gentleman who wishes to speak instead. Mr. David Torkelson.

STATEMENT OF DAVID R. TORKELSON, BUSINESS AND INDUSTRIAL DEVELOPMENT DEPARTMENT, STATE OF NORTH DAKOTA

Mr. TORKELSON. Yes, sir. My remarks have been filed for the record, and I would suggest you read it at your leisure time.

[The statement follows:]

Subcommittee On Transportation
Of The
U. S. Senate Committee On Public Works
Minot, North Dakota
May 24, 1975
By
David R. Torkelson
Business And Industrial Development Department
Bismarck, North Dakota 58505

I am David R. Torkelson, appearing for Bruce L. Bartch, Director, Business & Industrial Development, State of North Dakota.

Economic Development in North Dakota means new wealth, more jobs and increased taxes to pay the costs of government.

North Dakota since the Great Depression of the Thirties has experienced over-population and its associated ills of out-migration and under-employment occassioned by a declining need for people as agriculture becomes more highly mechanized.

To counter the problems, the state has been working to create more jobs in manufacturing, tourism and mining. We believe that as jobs are lost in one basic economy it is necessary to create jobs in another to create new wealth. It is only in the last few years that a turn-about has been noted. The total workforce in North Dakota has been increasing since 1967. New manufacturing jobs are added each year and North Dakota has one of the highest rates of industrialization in the nation--although most of our manufacturing establishments employ less than 50. These new jobs are being built on a strong base, closely tied to the state's geography.

Agribusiness accounts for the majority of her development. The processing of sugar beets into sugar, malting barley into malt and grain into flour are examples of this development. The manufacture of farm equipment such as tractors, plows and cultivators are the other side of the coin. There are small developments in the other sectors of manufacturing, also; but agriculture is the base to North Dakota's economy and we believe manufacturing serving agriculture will continue to be the support of that economic sector.

Transportation facilities to move these processed goods to market and the farm equipment to the farms is vital to the survival of the state's manufacturing sector. In any site location, transportation between raw materials, labor and markets constitute the determinates. The least cost site is likely to be the plant site unless some artificial barrier is erected. Your decisions here today and in subsequent committee action can determine future plant siting by either erecting artificial barriers to movement of raw materials off farm or furnished goods to the farm.

In North Dakota, the highway system is absolutely vital for the movements of not only raw materials, but also movements of workers from housing to construction sites, factories, mines, farms, shops, etc. Roads are necessary to compensate for the decline in railroad service to small towns. North Dakota has no significant bus service; no mass transport system to move people in rural areas and only limited movement between the more populated areas. If one lives on the interstate highway, one can find a bus. Amtract provides thrice weekly service between Williston-Minot-Devils Lake, Grand Forks and Fargo, Valley City, Jamestown, Bismarck and Dickinson. Only bus and plane serve Bismarck-Minot the third and fourth largest cities in North Dakota. North Dakota depends upon roads for people movement; therefore the Highway Act must be flexible enough to permit highway development.

Coal development is likely to have a significant impact upon North Dakota in coming years. However the rail system in North Dakota was set up to serve the agricultural east; not the coal fields of the west. For example, there is no rail service to the largest lignite powered electric generation facility in North Dakota, the Minnkota Power Co-operative in Center. All construction materials must be trucked to the site; all coal burned at the plant is trucked from the nearby mine. The product (electricity) will be shipped out over high-voltage direct current lines, so rail could not be justified. Yet, people must get to the plant; maintenance materials must be moved in, etc. Only an adequate road system can permit North Dakota to continue to supply the energy needs of the Mid-west.

Bringing produce to market is the function of roads in North Dakota. Any added costs because of deterioration causing detours, load limits, etc., raises the costs of goods all along the line to the final consumer--YOU. If highway funds are diverted to other purposes than road construction and maintenance, so that rural feeder roads deteriorate; the higher costs resulting will be passed on the consumer in the form of higher prices. We would encourage you to help keep prices down at the production point to avoid the compounding effect as the goods move through the distribution channels. And the higher prices at production point is compounded as you well know. Middle men take their share based on the value of the product they handle; not cost of service. So slight increases at the production level are multiplied up the chain. To fight inflation, it behooves you to move so as to keep prices/costs down here. You can do that in the action you take on the Highway Act of 1975.

The Interstate System of Defense Highways has had a tremendous impact on plant location in North Dakota. Almost invariably, prospects coming to us ask for sites served by the interstate. Because North Dakota does have generally adequate highways, if they can be maintained, the final site may not necessarily have access to the interstate; however, the initial request usually insists on interstate. Therefore, any improvement on the system, especially raising US 2 interstate standards will exert significant impact on site location. We encourage you to also give this every consideration.

MANUFACTURING IN NORTH DAKOTA

General And Comparative Statistics For The State: 1972 And Earlier Years

Year	Establishments		All Employees				
	Total (Number)	With 20 Employees or more	Number (1,000)	Payroll (Million Dollars)	Value Added By Mfg. (Mill. $)	Value of Shipments (Mill. $)	Percent of U.S. Employ. (Percent)
1972	477	111	9.9	76.4	207.5	569.4	
1971	(NA)	(NA)	10.0	70.0	189.0	336.0	
1970	(NA)	(NA)	10.3	71.3	144.8	571.0	
1969	(NA)	(NA)	8.0	50.0	145.0	408.0	
1968	(NA)	(NA)	7.8	46.2	143.5	409.4	
1967	454	92	7.5	41.6	112.8	354.4	0.04
1966	(NA)	(NA)	6.7	37.2	100.9	318.8	0.04
1965	(NA)	(NA)	6.5	34.0	97.3	294.2	0.04
1964	(NA)	(NA)	6.5	31.7	71.6	267.1	0.04
1963	459	78	6.5	31.5	72.4	(NA)	0.04
1962	(NA)	(NA)	6.0	26.5	55.4	(NA)	0.04

SOURCE: U. S. Bureau of the Census, Census of Manufacturers, 1972, North Dakota MC 72 (3) 35.

U. S. Government Printing Office, Washington, D.C. 1975.

ESTIMATES OF NORTH DAKOTA LABOR FORCE - ANNUAL AVERAGES 1/ (Benchmark Date: 3/73)

ITEM	1970	1971	1972	1973
TOTAL CIVILIAN LABOR FORCE	238,580	244,480	251,890	259,000
UNEMPLOYMENT	10,960	13,020	12,450	13,270
RATE OF UNEMPLOYMENT	4.6%	5.3%	4.9%	5.1%
TOTAL EMPLOYMENT	227,620	231,460	239,440	245,730
TOTAL AGRICULTURAL EMPLOYMENT 2/	51,920	51,410	51,580	51,080
AG SELF-EMPLOYED & UNPAID FAMILY WORKERS	42,750	42,080	42,910	42,170
AG WAGE & SALARY WORKERS	9,170	9,330	8,670	8,910
TOTAL NON-AGRICULTURAL EMPLOYMENT	175,700	180,050	187,860	194,650
NON-AG. SELF-EMPLOYED, UNPAID FAMILY AND DOMESTICS	26,790	27,580	27,970	28,010
ADJUSTED WAGE & SALARY EMPLOYMENT	148,910	152,470	159,890	166,640
CONCEPTUAL DIFFERENCE 3/	-14,320	-14,430	-14,800	-15,120
WAGE AND SALARY EMPLOYMNET 4/	163,230	166,900	174,690	181,760
MINING	1,610	1,610	1,570	1,660
CONSTRUCTION	9,790	10,380	11,910	11,450
MANUFACTURING	9,910	10,160	10,630	11,870
TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES	12,200	12,250	12,280	12,550
WHOLESALE AND RETAIL TRADE	43,890	44,790	47,890	51,260
FINANCE, INSURANCE & REAL ESTATE	7,040	7,190	7,390	7,710
SERVICES (OTHER THAN DOMESTIC)	29,550	31,240	33,010	35,040
GOVERNMENT	49,240	49,280	50,101	50,220

1/ Agricultural estimates rounded to the nearest thousand. All other estimat rounded to the nearest 10.
2/ Derived from estimates prepared by the Statistical Reporting Service. USDA
3/ Used to convert employment from number of jobs by place of work to persons working by place of residence.
4/ Prepared in cooperation with the United States Department of Labor.

Senator BURDICK. All the statements that have been made are a part of the record, that have been submitted in full, plus those that come in possession within the next 10 days. I think you have a letter, Senator.

Senator RANDOLPH. Yes. It was received at the hotel here today, a letter from Wesley Keller. He indicates that he rather feels close to what's being done here today. He is a proponent of Highway 2, and he's had to go to the hospital today. It's a letter that lends itself to the record here, and he expresses his regrets to Senator Burdick and speaks of his hope that the meeting will be productive.

Senator BURDICK. It will be received.

[The letter follows:]

MINOT, N. DAK., *May 19, 1975.*

Senator JENNINGS RANDOLPH,
Chairman, U.S. Senate Public Works Committee,
Holiday Inn, Minot, N. Dak.

DEAR SENATOR RANDOLPH: I regret very much that I cannot be in Minot to see and hear you on Saturday, May 24th, after all the effort I have put forth to lure you to Minot.

Unfortunately—for me—I have an appointment at the Univ. of Minnesota Hospital on Friday, May 23rd, and they are quite likely to hospitalize me for awhile.

If I were to defer this appointment, it would be a long wait for another appointment. I hope you understand this.

It will be a great disappointment to me to miss, what I am sure, will be a very instructive and constructive meeting for expediting the completion of a 4-lane divided Highway 2 across North Dakota.

Highway 2 has been sadly neglected for more than fifteen years, for which neglect all of us who rely on this highway are at fault for not sooner making our concern known to the State and Federal Agencies charged with needed highway improvement.

My best wishes to you and your associates for a satisfying meeting and the hope that I shall have the pleasure of a visit with you in the not-too-distant future. Please convey my regrets to Senator Burdick also.

Sincerely,

W. E. KELLER.

Senator Burdick With that, the meeting is adjourned.

Senator RANDOLPH. The Senators express their appreciation for all those who cooperated in making the arrangements for this meeting and we give our thanks to Pat Curtiss and John Yago.

[Whereupon, at 6:30 p.m. the subcommittee recessed, subject to the call of the Chair.]

[Additional letters and statements follow:]

April 30 1975

SENATOR
QUENTIN N. BURDICK
U.S.SENATE
WASHINGTON,D.C. 20510

Dear Sir;

In regards to your meeting in Minot on May 24 on rural transportation, as a snowmobileir and vicepresident of the Sheyenne Snow Drifter's Club of Valley City North Dakota, and a menber of the board of Directors of Snowmobil North Dakota.

I've been chosen to wirte you. We understand that at this meeting the major topic will be condition of rural road and bridges and construction of secondary roads.

We would like to gain your support when planing and building new roads, to support a snowmobil and drit bike trail, between the back sloup of the ditch and the field, which only require another six or eight feet, and it would be less expense to do this at the time of building roads, This wold be very small amount compared to what it would cost the snowmobiliers to do it later with requirement and approvel by our state legeistaters, and would be easyer to keep trail bike and snowmobiliers off our highways.

Minn. has many miles of trails and a lot of North Dakotans go to Minn. for snowmobil riding. which could be done in North Dakota if trails could be built for this. And many of our Parks and rivers and lake areas could be use for this.

But let's not forget about our wildlife friends that are being disturbed, when trail bikes and snowmobils are in the ruarl area's, with trails to follew, then it would be easyer to enforce these laws which prohibits the distrubing or destruction of wildlife.

In the Legislater this year Snowmobil North Dakota try to get funds back from the licence fee's and to raise the fee to raise funds for snowmobileirs to build trails with. But failed, But we havn't gave up hope's for the next time(twoyear) And with the support of our Congr essman and Senators thiw can and will bd accomplished easyers and sooner.

We would appriciation any support you can give ud on this project. And any idas you can give us., All well be of great help/

THANKYOU VERY MUCH FOR ANY HELP.

RUSSELL BROCK
VICEPRESIDEND SHEYENNE SNOW DRIFTERS
VALLEY CITY,

MAILING ADDRESS
RUSSELL BROCK
PAGE,NORTH DAKOTA
58064

May 20, 1975

Honorable Senator Jennings Randolph
Committee Chairman
Subcommittee on Transportation
Senate Public Works Committee

FROM: K. K. Burgum, Dean
College of Home Economics

I regret because of the change of date of the hearing, I will not be able to attend but appreciate the opportunity to submit my feelings in regard to your examination of rural highway transportation.

My interest in this hearing stems from my involvement as a former member of the National Motor Vehicle Safety Advisory Council and as a member of former Governor William Guy's Advisory Committee on North Dakota Highway Safety, also in my present position as Dean of the College of Home Economics at NDSU.

I am very cognizant of the important role that transportation plays within a family unit. I would like to submit to you that improvement in rural highway transportation system could bring many advantages, primarily to families in these areas - but not to these alone - because improved roads also bring greater accessability to urban areas for education; trade; and health care. By these same roads, a greater number of people, normally in the urban population, move into rural areas adjacent to cities.

Improved rural roads with built-in safety features also contribute to a lower accident rate thus resulting in fewer highway fatalities and resulting economic loss that accompanies each highway accident.

Adequate transportation is a major necessity for everyone, and certainly needed for the aged to maintain their independence - for shopping, and medical care and social interaction. As the percentage of elderly people in our population increases, and the lack of rural medical facilities decrease, the need for mini-bus service to and from rural communities to medical centers in nearby larger cities will become a more significant need. This type of service business is impossible to establish without a pattern of acceptable rural highways.

April 20 1915

Quentin Burdick U S Senator of N Dak
Washington D. C.

Dear Senator.

In one of your recent newsletters we noticed your concern about rural America in regard to roads. I thought you had a very good point. We live in Ward Co N Dak on a farm near Harrison. I am 67 years of age and farmed all my life a little over a year ago I took my son in as a full partner. Together we own 1011 acres and our main source of income is Dairy we also have a beef herd. Any way the milk truck picks up our milk every other day and our roads do any thing but good. first the snow and now the mud. yesterday we had to use our tractor to get the truck in and then out.

We all enjoy farm life and whatever you can do to the road situation in Rural N Dak will most certainly be appreciated. I think it would be a lot more sense to con-struct all weather roads for the farmers who live here then so they can get their products to the market then to build roads for tourist who drive thru the State once or twice a year that tourist money down. I buy me anything

Sincerely Yours. William F. and Ray Kirn
Harrison. N Dak.

Kalispell Chamber of Commerce

BOX 978 — KALISPELL, MONTANA 59901

TO: The Members Of The U.S. Senate Sub-Committee on Rural Primary Highways For The Transportation Act of 1977

FROM: Mr. Stan Halvorson representing The Kalispell Chamber of Commerce and North West Montana.

My name is Stan Halvorson of Kalispell Montana representing the Kalispell Chamber of Commerce. I have served 12 years as State Highway Commissioner, and am a Director of the Montana Automobile Association.

My Testimony will cover the importance and needs for a Comprehensive Rural Highway program and expecially as it pertains to Northwestern Montana, and our support of the Highway Trust Fund concept for financing a Rural Primary Highway Program.

Our basic objective is to show the need for improved Rural Primary Highways in Northwestern Montana, as our area is probably the most isolated within, what is considered, an isolated state.

Northwest Montana and the area within Flathead, Lake and Lincoln Counties form Montana Highway Financial District #1. Of Montana's 5,216 (five thousand two hundred-sixteen) total miles of Federally Aided Primary Highways, our financial District #1 has 9.8% or 512.2 miles. To show our plight in relation to the condition of our Northwest Montana Highways, 44.4% or 227.6 miles of Financial District #1's total mileage is considered deficient. (Montana's twelve financial districts average 40.7%) Now, related to this committee's subject of Rural Primary Highways, of the 227.6 deficient miles in our district, 224.5 miles are Rural and only 3.1 miles are Urban.

58-412 O - 75 - pt. 1 - 18

Our needs for improved Rural Primary Highways are very soundly based with economic reasonings. The largest employer in Northwest Montana is the manufacturing industry. And within that manufacturing industry, 83% of the employment is attributed to the Wood Products and Primary Metals manufacturers. These Industries and the balance of our citizenery highly depend on surface transportation. Any improvement is obviously of economic benefit to us, but as (previously stated or as will be) stated by the State of Montana Department of Highways testimony, we can ill-afford to wait 60 years to finish our currently deficient Rural Primary Highways and80 years to finish our Urban Primaries, with current funding programs. An extra interesting factor that greatly contributes to our need for improved Rural Primary and Urban Highways, is that Northwest Montana has increased in population by approximately 20% from 1960 to 1970. Flathead County alone has increased approximately 18% from 1970 to January 1, 1975.

Gentlemen, we simply request that you most urgently consider Rural America. We preface this with a final remark based on what we call the Montana Mono-Rail Syndrom. "Far be it when the day will come when we in Montana will have enough people to merit a Mono-Rail System from Alzada to Troy. We now, and will continue to, depend on our highways for our livelyhood, and your peronal consideration of our needs for the Rural Primary Highway portion of the Transportation Act of 1977, will be greatly appreciated.

Of utmost importance to us are two Federal Primary Highways - U.S. #2 & 93. U.S. #2 is the major East-West Highway serving all of the North half of the State of Montana. The commerce of our communities flowing from the great industrial heartland of the mid-west and East, and the West Coast must use this route. The only North South route in all of Western Montana is U.S. Highway #93, carrying both intra state and inter state traffic from the South through the most densely populated section of our State. Most of the mileage is seriously deficient. It is the most hazardous Highway mileage in the State of Montana and we are all guilty of neglect for not having a program to correct these deficiencies.

It has National significance when related to our recreational travel with over a million visitors a year to Glacier National Park.

Having been deeply involved with the Inter State Highway Program I appreciate the magnitude of it. I feel it will take a program of equal or greater magnitude to bring our Rural Primary Highways to acceptable standards. I believe it will have greater impact on Rural America for it will serve hundreds of smaller communities which are now growing to accommodate our growing population and the out migration of people from large urban centers. We support the concept of definite commitment to completion of the Federal Rural Highway Program, and adequate financing to do the job. We support the continuance of a Highway Trust Fund apart from the funding of other modes of transportation. We believe strongly that Congress should write into this program, some congressional direction to the expenditures of these funds so that executive directives will not foil the intent of Congress.

Gentlemen, let me sum up my testimony by saying that we have neglected our Rural Primary and Secondary Highways for the past 20 years while we were building the great Inter State System. It is time to shift our emphasis to these important routes with a program of even greater magnitude. These are roads vital to the well being of all our Rural Communities. They are the roads vital to people every day of our lives. Thank you.

By_____
S.N. Halvorson
Kalispell, Montana

THE ABOVE STATEMENT PRESENTED ON BEHALF OF THE KALISPELL CHAMBER OF COMMERCE.

_____
C.E. "Chuck" McQueary, President 1975

Date: April 18, 1975

RICHLAND COUNTY WAHPETON, NORTH DAKOTA

INFORMATION FOR

HEARING ON TRANSPORTATION IN RURAL AREAS

SENATE TRANSPORTATION SUB-COMMITTEE

HELD IN MINOT, NORTH DAKOTA

APRIL 19, 1975

Prepared by: Joe S. Macheel P.E.
Richland County Engineer

COUNTY OF RICHLAND
STATE OF NORTH DAKOTA

COUNTY OFFICIALS

ODIN J. WOLD ..... Auditor
ELFRIEDA KOPPELMAN ..... Treasurer
ALBERT FUNFAR ..... Register of Deeds
ALVIN E. HANS ..... Superintendent of Schools
DR. PERRY H. ENGSTROM ..... Coroner
M. BLAKE SHERVA ..... Public Administrator
SELMER JORDHEIM ..... Director
Garrison Conservancy District

COUNTY COMMISSIONERS

JOHN J. RANDALL ..... Wahpeton 58075
HARRY STREGE ..... Lidgerwood 58053
RAY KUMMER ..... Colfax 58018
STEPHEN W. CAMPBELL ..... Fairmount 58030
KATHLEEN BRAATEN ..... Barney 58008



WAHPETON, 58075

COURT OFFICIALS

Judges Third Judicial District:
WALLACE E. WARNER ..... Wahpeton
LARRY HATCH ..... Linton

County Judge and Justice:
DALE R. MCMICHAEL ..... Wahpeton

LORRAINE DALE ..... Clerk of Court
ROBERT L. ECKERT ..... State's Attorney
EARL DOSCH ..... Sheriff

April 14, 1975

Hearing on Transportation in Rural Areas
Senate Transportation Sub-Committee
Jennings Randolph, Chairman
Minot, ND 58705

Dear Mr. Randolph:

This letter concerns the rural transportation needs of Richland County, North Dakota. Richland County is located in the Southeastern corner of North Dakota. The county has a population of 18,000 people, of which 11,000 live in cities, towns and villages. The entire county is agriculturally orientated. The need for all weather roads, to move the vast amount of agricultural commodities to market, is ever increasing, especially now, due to the rapid fluctuations of the grain and cattle markets. Therefore, I am including a list of our greatest needs at the present time, with reflections on the needs of the past and forethought on the future needs and trends.

Richland County is 48 miles long and approximately 35 miles wide, and consists of 36 townships which contain 865,390 assessed taxable acres of farm land. There is, or will be, after construction is completed in 1976 or 1977, 48 miles of Interstate Highway # 29 located in the county, plus 183 miles of State Highway of which 28 miles will be turned over to the county after completion of the Interstate Highway. The county has a total of 500 miles of county roads of which 312 miles are presently on the Federal Aid System. In addition there are approximately 2,000 miles of township roadways.

In 1962 and again in 1966 the people of Richland County voted in, special Mill Levys of 3 and 7 mills, which is the total presently allowed by state law. These mill levys are currently being used for re-grading and paving of our Federal Aid Highways. These mill levys encompass approx-

218 of our 312 miles of Federal Aid Highways. Of these 218 miles, only 121 miles have been completed or approximately 55.5%, of the total mileage. With the current rate of inflation, the remaining 44.5% or 97 miles will take at least twenty years or more to complete. The original anticipated completion time of these mill levys with 50% Federal matching funds, was from ten to fifteen years; but now with the Federal Highway Fund cut back, and newer Federal Highway Programs, we receive a partially fixed income of only 50 to 60 thousand dollars per year, regardless of the project size. Our current minumum FHWA design standards for a typical mile runs in the neighborhood of 80 to 100 thousand dollars per mile of road. The avarage length of the remaining 18 projects is 5.4 miles, at a conservative estimate of the cost for one project at $80,000/mile, this equals $432,000.00. Using the $60,000.00 figure for Federal Aid Funds, this figures out to be 13.9% Federal Aid funding or 86.1% county tax money; not the 50 or 70 or 90% Federally funded money as the majority of the public and congress believe! In order for us to be able to construct a project, we have to hold off on construction for 2 or 3 years to let our tax money reserves and Federal Aid Funds accumulate. Then we often have to borrow money to complete the project. This increases the cost of the roadway and also adds to the cost of agricultural products that are produced in this area, and in turn, increases the cost of these products to the consumer, which is reflected in the ever increasing rate of inflation.

Our original designs, as recommended by the FHWA were for stage construction. The first stage was the regrading of the project with a portion of the base aggregate placed. This enabled the roadbeds to settle and solidify. Then, after a year or so, the remaining base aggregate and the first lift of asphalt pavement was placed with the intention of putting the final lifts of asphalt pavement on in a short time, as we assumed, was the original intention of the FHWA and the Highway Program, but as of yet, we have had to put the extra lifts of pavement on with county funds only. These funds, according to State law, cannot be taken out of the Special Mill Levy funds mentioned above. This, therefore, eliminates our chances for improving our remaining 282 miles of road that are not on our special mill levys. In order to meet increasing demand for use of larger trucks, with increased loads, we have increased the design rating of new construction, which naturally increased costs per mile. Also with the cost of normal maintenance and patching of surface failures increases each year, as the costs of asphalt and labor increase. We find ourselves spending every available dollar on our completed roadway to maintain them in a travelable condition. This expense virtually eliminates the possibility of purchasing any new or replacement of older, less efficient maintenance equipment, which also increases the cost of our maintenance work, by the use of this non-efficient, worn out equipment.

An even more acute subject is bridges. In 1972 we conducted, with the help of the North Dakota Highway Department, a complete and thorough

inspection of our bridges, with some startling results; such as 2 structures with a 1 ton load rating on them, with 1 structure being on a school bus route, and being crossed twice a day with a full bus load of children. Some of the facts revealed by this inspection are: 14 bridges have a 3 ton load limit, 42 with a 4 ton rating, 51 with a 5 ton rating, 56 with a 6 ton rating and 47 with only 7 ton ratings. There are approximately 410 bridges in this county and 66.6% of these can carry a load of only 10 tons or less! When the bridges were inspected, we also looked into the physical soundness of each structure itself. We set up a system of grading these structures on a scale of 2 to 8, with 2 being the lowest rank and 8 being the highest. Taken into account in this rating also was the vertical and horizontal alignment of the structure to the approach roadway. The result of the rating was even more startling than the results of the load ratings. We found that of the 410 bridges, 102 or 25% of our bridges with a structure rating of only 2. Taking 5 as the average rating, we come up with the figure of 317 or 77% are rated less than one half of the structure condition they should have to be considered sound and safe, without any type of hazards for traffic and to be able to carry a legal size truck load.

As you can see, we do have serious financial problems that have to be met immediately. We do need more federal money to meet the damands of the public. Locally, nationally and internationally, perhaps most people will agree that we could raise more funds by increasing our local taxes, but this, in the short term, adds to the national recession, and in the long term increases the spiraling inflation rate of this country. Our most demanding need is for funds to help with a major local bridge replacement program. These funds would be used to replace our major structures that have deteriorated beyond repair, that are underdesigned for todays and tomorrows loads, and structures that have poor vertical and horizontal alignments. The cost of this project to replace our 317 bridges that have a structural rating of less than 5, assuming a cost of $50,000/structure (average cost figures assuming current cost of $25/sq. ft. of decking and a 28' wide bridge would equal 71.4', which would closely average the length of a normal bridge in this area) would be 15.85 million dollars. This figure of 15.85 million dollars to a county with a budget of only $500 thousand is considered to be impossible to meet. Our present need for bridges is immediate, not thirty years from now, as this is the amount of time it would take to acquire enough revenue, excluding any other spending, to meet this demand of 15.85 million dollars. We presently are trying to replace our shorter span bridges with corrugated metal pipes; but the cost of these is also sky-rocketing. For example, an 18" culvert in 1972 was $3.46 per foot, in 1973 - $3.75, in 1974 - $4.00 and in 1975 - $6.03 or a 50% increase in one year! With cost like these sky-rocketing each year, we can only replace 2 or 3 small bridges each year, and this is accomplished only by putting a serious strain on our budget.

We, as I have previously indicated, have 48 miles of Interstate Highway in our county, and are currently trying to re-arrange our road system into a collector system for Interstate 29. This is a rather serious problem for us because the majority of our Federal Aid System Roads were established before the Interstate route was designed. Because of this

we have several miles of roadway parallel to the Interstate. In order for us to change the special mill levys, previously mentioned, we have to re-arrange our roads so as to be collectors to Interstate 29, and then put the new routes up to the people in an election to transfer our established routes to the proposed routes. If we would get a negative vote on this proposal, we would lose our mill levy and our highway program; but if the proposal is accepted and we continue with our road program, we would have to take over narrow, out-dated and under designed roadways that would have to be rebuilt at a great expense, in order for these roads to become classified as collector roadways to the Interstate system.

We strongly urge a continuation of the Highway Trust Fund in its present form of 4¢ federal tax per gallon of gasoline. The change we would strongly recommend is a reduction of the number of programs to 4 or 5, and also a much needed reduction of red tape involved with the Federally Funded Projects. We also need a very substantial sum of money for the replacement of hundreds of narrow, weak, deteriorated bridges, which no longer meet todays, not to mention the future needs of the transportation industry. We could use more funds to get our road program back on a matching basis, not 14% of the cost of the project which, because of the use of Federal Aid, adds to the cost of a project, due to the mandatory use of the Davis-Bacon Act. The repeal of this Act might, in the long run, stabilize the cost of a project in the construction industry. The construction industry, like the agricultural industry, needs a long range, far reaching program to stabilize it and in turn partially stabilize the economy of the nation.

The rural as well as urban areas need a program that both can live with and both can plan with certainty into the future, to eliminate the waste of money on projects that are no longer of value to anyone. The rural population of the country is producing and transporting the food that feeds this nation and the world. To keep the cost of the food product low, we need roads and bridges that can safely carry these products to the population centers of the United States and the world. The United States is currently completing one of the finest systems of Interstate Design Highways in the world. This Interstate System has greatly reduced the cost of shipped goods that traverse its route, but once the product leaves the Interstate System the cost of shipping increases. We strongly feel that now is the time for a major program to rebuild this nations rural roads and Bridges.

Yours truly,

Stephen W. Campbell, Chairman
Ray A. Kummer
Kathleen Braaten
John J. Randall
Harry Strege

Stephen W Campbell Chairman
Ray A Kummer
Kathleen Braaten
John J Randall
Harry Strege

RICHLAND COUNTY BOARD OF COMMISSIONERS

Prepared by:

Joe E. Macheel

Joe E. Macheel P.E.
Richland County Engineer

JEM:aa

McCARNEY'S INCORPORATED
2400 EAST BROADWAY
BISMARCK, N. DAK. 58501
A REFLECTION OF QUALITY
DIAL 223-3640
AREA CODE 701

May 19, 1975

The Honorable Quentin Burdick
United States Senator
Fargo, North Dakota 58102

Re: U. S. Senate Public Works Subcommittee
on Transportation

Dear Senator Burdick:

I am R. P. McCarney, a Bismarck businessman and a long term resident of North Dakota. Changes in rural areas have been very rapid in the last ten or fifteen years. Your willingness to come to North Dakota and gather first hand information is very important to us and to national transportation policy. Thank you very much for your concern. There is an important story here, and I hope I can outline some of it.

To the rural citizen, our roadways are the only means of transportation...of movement. His social, educational, recreational and economic well being depend on cars and trucks and, most important, on the roadways provided these vehicles.

As the modern farm has developed with its highly mechanized operation, farms have become larger, rural population has decreased, and the local services of the small town or rural community has disappeared. Almost every action involving a rural family requires travel...travel by car or truck.

Social life, at one time, centered around a small local church, the one-room school, the small town public hall, and motion picture theater. All of these facilities were available within a short distance of each farm. For the most part, these facilities have disappeared from the small town. Even many small towns have disappeared.

These social, educational and recreational needs have been consolidated into larger, more modern and often better facilities...but at centers of population often many miles from the farm or rural community. Churches and schools have been consolidated. Theaters are only

found in larger towns. The public halls have been replaced by the civic centers, seating many thousands of people. Some seating more people than live in several counties of thousands of square miles.

Medical needs and social services are also consolidated in centers of population. Only eight North Dakota towns have physicians; five counties have no doctors at all. Rural people must travel long distances for any medical service, and specialized service is often found only at one of the eight largest cities where ninety per cent of the specialized services are found.

I know the basic economic value of our road system will be covered by others. I refer to the basic value of movement of our farm produce, but I wonder if enough emphasis will be placed on the very basic needs of the rural family for shopping and services to maintain the farm machinery and equipment. Today's farm is big business...a complicated mixture of equipment and skills. The small town local service for both household and farm maintenance is for the most part gone. The centers of population furnish the shopping centers, financial services and support services. As an example, Bismarck and Minot shopping centers draw from in excess of one hundred miles. The traditional "general store" has been replaced by the shopping center.

The rural community depends on the county and local road system... the 12,000 miles of county federal-aid secondary, 6,000 miles of regular county roads, and 56,000 miles of organized township and unorganized township roads.

The North Dakota farm family has advanced the ability to produce, the ability to create a new and more productive way of life, at a pace which far exceeds the ability of our roadways to properly service their needs. The fifty-year-old cry of "Let's Get Out of the Mud" still exists in rural American life. The county federal-aid system is less than twenty per cent hard surfaced; less than one per cent of the township roads are hard surfaced, and over forty per cent do not even have a gravel surface. Some of this forty per cent are not even graded or drained.

The North Dakota rural community has put a great deal of local time, effort and money into roadways; but in reality we exist to produce for and serve the needs of others. The farmer does not produce for himself. He produces to meet others' needs. It is time those served by rural America invest in the transportation system most needed to provide efficient rural transportation...our rural road system.

Thank you for this opportunity. I appreciate it very much.

Sincerely yours,

McCARNEY'S FORD, INC.

R. P. McCarney
President

RPM:djb

N. W. CLARKE
Registered Professional Engineer

OFFICE
COUNTY ENGINEER
MORTON COUNTY
MANDAN, NORTH DAKOTA 58554

April 18, 1975

Honorable Senator Jennings Randolph
and Honorable Senator Quentin Burdick
United States Senate Public Works Sub-Committee
on Transportation

Dear Sirs:

I am Newell W. Clarke, County Engineer of Morton County, North Dakota and have been asked by the County Commissioners of Morton County to present the facts on the conditions that exist in Morton County as far as roads and bridges are concerned.

Morton County lies on the west bank of the Missouri River and is 60 miles long and an average of 30 miles in depth, comprising 1,237,170 acres. We have seven major streams in the County and many smaller streams draining into the major systems. All of the drainage eventually winds up in the Missouri River.

Mandan North Dakota is the County Seat of Morton County and is in the extreme east end of the County. It is also the major business area of the County, with a population of approximately 12,000. There are also five cities in the County under 5000 population.

We have 1,753 miles of County and Township roads that we are required to build and maintain. Of this mileage 378.2 miles are on the Federal Aid System and 192.0 miles on the Regular County System, for a total on the County System of 570 miles. There are 1,183 miles of unorganized township roads which we are required to build and maintain and 55.9 miles of organized township roads that

the County maintains. We also have 6.1 miles of unincorporated village streets, all of these require improvement and maintenance. There are 555 Bridges in the County, 141 of these Bridges have legal load limits, the balance 414 Bridges are under legal limits and range from five ton to twelve ton restricted loads, and are 17 to 20 feet in width.

We have a 4-mill levy for Grading and Gravel surfacing which brings us in approximately $80,000.00 per year. This 4-mill levy was voted in by the people in 1956. This is to be matched by our share of Federal Aid which is approximately $70,000.00 for Grading and Surfacing. We also received some Federal Aid for Bridge inspectors, signing survey etc., but our actual funds for road construction on the Federal Aid system was $150,000.00. The last grading contract which was let was for 10.405 miles and cost $223,884.00 which cost us $21,521.00 per mile. WE have to wait two years to let a grading contract because of the costs.

We have a 6-mill levy for Asphalt Surfacing which brings in approximately $120,000.00. We do not receive Federal Aid for Asphalt surfacing as all of our allotted Federal Aid is for Grading and Gravel surfacing. Our last Asphalt project was for a four inch asphalt mat 30 feet wide and 4.9 miles in length. This cost us $42,445.70 per mile.

Our total receipts for fiscal year 1973 - 1974 was $878,436.51 from General Road, Bridges, 10-mill levy and Highway gas tax. This amounts to $501.10 per mile for the 1753 miles that we are required to build and maintain. We also received $428,353.00 from Revenue Sharing that was allocated to Morton County Highway Department. This was used to reseal some of our Asphalt Pavement and Gravel Surfacing. This amounted to $244.35 per mile.

Our total income for fiscal year 1973 - 1974 amounted to $1,306,390.00 which divided by 1753 miles of road in the County yields $745.23 per mile. This for maintaining and constructing 1753 miles of road.

With no more than this available, minimum maintenance is done, and only eight to ten miles of grading can be done per year. The above figures also include our Bridge Fund of $114,965.17.

We would like to see our 10-mill levy which brings us approximately $200,000.00 matched on a 90 - 10 or even 70 - 30 basis. This would then give us funds for a progressive construction program on our Federal Aid System. This is the system that carries the heaviest traffic and needs the greatest share of our funds for construction and maintenance.

Fuel trucks, milk trucks and school busses ruin our roads faster than we can repair or maintain them, and there is a constant demand from the school boards for better roads.

Gravel is becoming very scarce and we are getting to a position that if we can't get Asphalt pavement on our Farm to Market and heavy traffic roads, there will be no surfacing available and therefore a ruined road system. The Federal Aid system in Morton County averages over 100 cars a day and yet only 22.7 miles of this is hard surfaced, and only 184.9 miles has been built to desired standards. We are at the half way point of our Federal Aid System and have been working on it since 1956.

One hundred and eighty seven miles of the Federal Aid System is programmed for hard surfacing. Of this only eleven miles has been completed since 1972 construction season.

We and the people have taxed ourselves to the limit of our laws to provide funds for road construction and maintenance. The need for moving grain, farm and dairy products to market, to provide transportation for our school children requires improved roads and added funds. Added federal highway funds are needed to match local taxpayers effort and an increase is justified at least to offset inflated construction costs. The partnership of federal - state and county in road improvement should continue with a long range program and at least enough federal aid to match local funds and preferably to the normal 71% federal and 29% local funding. In the case of our county approximately $400,000 in federal aid would be required versus the $70,000 we now receive.

To preserve our road system and our rural life we desperately need your help!

Yours truly,

Newell W. Clarke

Newell W. Clarke
County Engineer

County Commissioners:

Jacob Kautzman

Jacob Kautzman, Chairman

Charles Engelter

Michael L. Schuff

Clarence A. Seal

John C. Oake

I certify that the signatures were made before me this 5th day of May, 1975

Edmund T. Baer

COUNTY AUDITOR

North Dakota Highway Users Conference

JEWEL E. RONINGEN, Chairman
West Fargo Stockyards
Livestock Exchange Bldg.
West Fargo, 58078

JAMES B. CONNOLLY, Secretary-Treasurer
Box 3147, Fargo, 58102

STATEMENT OF JEWEL E. RONINGEN

CHAIRMAN, NORTH DAKOTA HIGHWAY USERS CONFERENCE

BEFORE THE SENATE TRANSPORTATION SUBCOMMITTEE

ON RURAL TRANSPORTATION

MINOT, NORTH DAKOTA - APRIL 19, 1975

I am Jewel E. Roningen, Chairman of the North Dakota Highway Users Conference. The North Dakota Highway Users Conference, a state-wide assemblage of individuals, organization and officials concerned with highway transportation, has purposes listed in the copy of 1975-1976 Objectives which are attached to this statement. I appreciate the invitation to appear before this distinguished committee.

Purpose of my presence is to provide information which the subcommittee may consider.

North Dakota has two excellent Interstate Highways - No. 94 and No. 29. Both are examples of excellent highway legislation. There is much need to update and make safe township, county, and some state highways.

In no way am I criticizing the state or county highway departments. Highway Departments do an excellent job with present funds, only the funds made available have not been enough. In the winter and spring, accessibility to farms and ranches becomes difficult, if not impossible, access to cities and towns, and

to marketing points is also difficult. Excess snowfall requires additional funds to keep farm to market roads open. There is a definite need for additional funding for farm to market roads, to make these highways safe with adequate load capacity and for all weather travel 12 months of the year. In my view the American consuming public should be aware of these problems and should be willing to support much additional funding during the next 15 - 20 years for construction of all weather 12 month farm to market roads.

Rail freight transportation cannot be used to transport livestock of any type. Therefore, use of motor trucks or vehicles becomes an absolute necessity for movement from ranch or farm to the market.

In my business, that of operating and managing a stockyard at West Fargo, North Dakota, 99-9/10% of the livestock we receive and sell arrives by truck and the livestock sold and not slaughtered locally also leaves by truck. In 1974 North Dakota marketed 1,634,442 cattle (North Dakota Stockmen's Association) approximately 300,000 sheep were marketed, and 500,000-600,000 hogs were marketed. It is a fact that over 99% of all of the cattle, hogs, and sheep marketed in North Dakota in 1974 were transported to market via motor truck or motor vehicle, and also were moved from the market by truck to feedlots or slaughter points.

There is a definite need for better rural roads in North Dakota and in the Midwest. This must be our course because to continue in business, energy costs must be saved; operating over smooth and better surfaced roads with higher load capacity will assist this state's and the overall U.S. economy.

"In the United States agriculture relies heavily on highway

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transportation - more than one truck in six is on a farm and trucks haul most all hogs and 99% of the cattle, 98% of the sheep and lambs, and 73% of fruits and vegtables in the country." (Source National Highway Users Federation Fact Book 1 - 1975 page 20.)

The figures for transportation are 69% of the shipped tonage of all meat and dairy products are moved by truck.

It is our view that the capacity of rural roads and highways must be given special consideration because of the impacts of rail line abandonment and its effect on the movement of livestock of all types.

I feel that reconstitution to improve the adequacy of the rural road system deals with quality of road not extension of mileage. Service in farm and ranch areas of North Dakota is still provided by many unpaved roads.

The load-bearing ability of roads is an indicator of ability to meet heavy load transport demands - of 2.4 million miles of surfaced rural roads in 1972, only 0.5 million were rated as having a high load-bearing capacity.

In transporting red meats there is a need for additional, more flexible service than has been supplied by either rail or common carrier in this area. This has caused processors to expand their private truck fleets. To do the job, these trucks travel over numerous rural roads.

Livestock Transportation - The nature of livestock production - demands irregular hauls over long distances from many localities and farms, sometimes under adverse conditions. Potential financial losses from bruises, crippling, death, hide damage, disease

and shrinkage are major concerns in livestock transportation. Minimizing losses requires careful handling when loading and unloading; care in transit minimizes time in transit, and some protection against adverse weather. Proper load-bearing roads with smooth surfaces are a must to accomplish these things.

These items refer to needs for insurance of a sound transportation system for rural America which has as its base all weather roads of quality to permit adequate movement of livestock when desired by the owner.

The North Dakota Highway Users Conference suggests early passage of legislation vital to improvement of rural roads in North Dakota and in America. We commend the committee for its concern and the holding of this hearing.

Gentlemen, this completes my oral testimony. A written statement is also being presented.

Thank you.

Jewel E. Roningen, Chairman
North Dakota Highway Users Conference

April 19, 1975

North Dakota Highway Users Conference

JEWEL E. RONINGEN, Chairman
West Fargo Stockyards
Livestock Exchange Bldg
West Fargo, 58078

JAMES B. CONNOLLY, Secretary-Treasurer
Box 3147, Fargo, 58102

STATEMENT OF JEWEL E. RONINGEN

CHAIRMAN, NORTH DAKOTA HIGHWAY USERS CONFERENCE

BEFORE THE SENATE TRANSPORTATION SUBCOMMITTEE

ON RURAL TRANSPORTATION

MINOT, NORTH DAKOTA - APRIL 19, 1975

I am Jewel E. Roningen, Chairman of the North Dakota Highway Users Conference. The North Dakota Highway Users Conference, a state-wide assemblage of individuals, organization and officials concerned with highway transportation, has purposes listed in the copy of 1975-1976 Objectives which are attached to this statement. We appreciate being able to present this statement.

Purpose of our statement is to provide useful information for the subcommittee.

It is my view that vehicle travel in North Dakota by truck, pickup, bus, and automobile to move agriculture products, food, and goods, and people has outpaced highway improvement over the past 15 - 20 years.

In my view, during the past fifteen (15) years a large backlog of outdated primary and secondary state, county, and township road construction has built up.

North Dakota has two excellent Interstate Highways - No. 94 and No. 29 - both are examples of excellent highway legislation. There is much need to update and make safe township, county, and some state highways.

In no way am I criticizing the state or county highway departments. Highway Departments do an excellent job with present funds, only the funds made available have not been enough. In the winter and spring, accessibility to farms and ranches becomes difficult, if not impossible, for access to cities and towns, and access to marketing points. Excess snowfall requires additional funds to keep farm to market roads open. There is a definite need for additional funding for farm to market roads, to make these highways safe with adequate load capacity for all weather travel twelve months of the year. In my view the American consuming public should be aware of these problems and should be willing to support much additional funding during the next 15 - 20 years for construction of all weather twelve month farm to market roads.

The writer learned recently of a survey of the general public which indicated that a majority favors rural road improvement, (a survey made during the period January 29th to February 8, 1975 and released February 28, 1975). Opinion on rural road improvement in answer to the question: Do you believe there is a need for improved roads in the rural part of your state?

	TOTAL (%)*
Yes	58
No	29
Don't Know	13
Total	100%

Number of Interviews (1544) *Based on all respondents

Rail freight transportation cannot be used to transport livestock of any type. Therefore, use of motor trucks or vehicles becomes an absolute necessity for movement from ranch or farm to the market.

The North Dakota Highway Department states that there are 5,075 miles of North Dakota roads which need re-surfacing in the next 20 years - with 3,976 miles due in the next five years. In a nutshell from my personal experience while traveling throughout North Dakota, many more and better farm to market roads are needed in North Dakota.

In my business, that of operating and managing a stockyard at West Fargo, North Dakota, 99-9/10% of the livestock we receive and sell arrives by truck and the livestock sold and not slaughtered locally also leaves by truck. In 1974 North Dakota marketed 1,634,442 cattle (North Dakota Stockmen's Association) approximately 300,000 sheep were marketed, and 500,000-600,000 hogs were marketed. It is a fact that over 99% of all of the cattle, hogs, and sheep marketed in North Dakota in 1974 were transported to market via motor truck or motor vehicle, and also were moved from the market by truck.

There is a definite need for better rural roads in North Dakota and in the Midwest. This must be our course because to continue in business, energy costs must be saved; operating over smooth and better surfaced roads with higher load capacity will assist this state's and the overall U.S. economy. For example, I understand that trucks operating on good quality gravel roads use 70% more fuel than on paved roads.

"In the United States agriculture relies heavily on highway transportation - more than one truck in six is on a farm and trucks

haul most all hogs and 99% of the cattle, 98% of the sheep and lambs, and 73% of fruits and vegtables in the country." (Source National Highway Users Federation Fact Book 1 - 1975 page 20.)

The figures for transportation are - 69% of the shipped tonage of all meat and dairy products are moved by truck.

The Minneapolis Minnesota Tribune of April 6, 1975 contained an article titled "Spring Weight Limits on Roads Costly In State". The article said in part -

"Farmers try to sell their grain when the price is up. But if they sell to the Clarkfield Farmers Elevator when roads are restricted, they must get an extra 5 cents a bushel to pay for extra transportation costs because the restrictions mean they have to cut their loads on the grain-hauling semis going to the elevator, said Atley Holmquist, elevator manager."

"A livestock trucker at Walnut Grove has to charge an extra $100 a day when he makes the trip from South Dakota to his hometown, because an eight-mile stretch of Highway 14 to the South Dakota border is restricted, and he has to go 100 miles out of his way."

"Nearly everyone - from the Minnesota Highway Department to farmers and businessmen who depend on heavy trucks - agrees: Spring weight restrictions costs Minnesotans thousands of dollars every year. Nobody knows just how much, though the highway department is embarking on a study to find out."

"But there are few alternatives to the annual costly truck detours. One is to spend millions to upgrade the system of county and state roads. Another is to ease weight restrictions and face much higher upkeep costs. A third is to allow road-restriction violators to go virtually unchecked."

The above quote illustrates very well just one of the

problems faced here in North Dakota.

Each spring it costs livestock producers more to transport their livestock to market because numerous roads - county and state - are posted for sixty or more days with truck per axle weight restrictions due to frost leaving the ground. Example: A larger truck unit cannot be used to haul thirty 600 pound feeder steers to market because of rural road weight restrictions so the trucker or ranch owner either hauls two loads to market resulting in increased truck transportation costs, or the owner might be able to take a lengthy detour which would involve more miles and greater expense. With hard surfaced all weather roads having increased per axle capacity, this expensive situation could be avoided. We urge that this matter be extensively researched.

It is our view that the capacity of rural roads and highways must be given special consideration because of the impacts of rail line abandonment and its effect on the movement of livestock of all types.

I feel that reconstitution to improve the adequacy of the rural road system deals with quality of road not extension of mileage. Service in farm and ranch areas of North Dakota is still provided by numerous unpaved roads.

The load-bearing ability of roads is an indicator of ability to meet heavy load transport demands - of 2.4 million miles of surfaced rural roads in 1972, only 0.5 million were rated as having a high load-bearing capacity.

Livestock Transportation - The nature of livestock production - demands irregular hauls over long distances from many localities and farms, sometimes under adverse conditions. Potential

financial losses from bruises, crippling, death, hide damage, disease, and shrinkage are major concerns in livestock transportation. Minimizing losses requires careful handling when loading and unloading; care in transit, minimizes time in transit, and some protection against adverse weather. Proper load-bearing roads with smooth surfaces are a must to accomplish these things.

These items refer to needs for insurance of a sound transportation system for rural America which has as its base all weather roads of quality to permit adequate movement of livestock and farm products when desired by the owner.

The North Dakota Highway Users Conference suggests early passage of legislation vital to improvement of rural roads in North Dakota and in America. We commend the committee for its concern and the holding of the Minot hearing.

This completes our statement.

Thank you.

Jewel B. Roningen, Chairman

North Dakota Highway Users Conference

April 19, 1975

1975-1976 STATEMENT OF OBJECTIVES

North Dakota
Highway Users Conference

Statement of Objectives

1975-1976

PURPOSE

The North Dakota Highway Users Conference is composed of organizations and individuals meeting periodically to acquaint themselves with programs aimed at development and utilization of highways in the State of North Dakota and throughout the Nation. It is affiliated with the Highway Users Federation for Safety and Mobility which represents similar groups in each of the fifty states. The Conference is geared to an educational program which emphasizes that motor vehicles are—and for the foreseeable future will be—America's first choice for the major part of its travel and transport.

There is an obvious need for a continuing program dedicated to providing the best possible highways from available road funds, highways that afford the motoring public the maximum in safety, comfort, convenience, efficiency, and service.

While not a direct action organization, the North Dakota Highway Users Conference holds the conviction that its listed objectives are basic to continuing highway progress. At the same time, the Conference does not attempt to bind participating members to an unanimous policy position on any of these objectives.

These objectives are recommended for consideration and action by legislators and other

public officials, and for the active support by individual Conference members.

Recommendations on highway financing, construction and maintenance, taxes, safey, and uniform laws, should represent the consensus of affiliated groups and public officials. Conference meetings are an invaluable vehicle for providing information, the sharing of opinions and policies, and offering open discussion covering all facets of highway development and use.

HIGHWAY FINANCING

By Federal highway legislation, especially since 1956, Congress has recognized that a modern, safe and efficient highway network, joining all areas of the contiguous states, is required by the economy and for the defense of the Nation.

Highway needs, present and future, not only for the Interstate System but also for all feeder roads, require restriction on the use of Highway Trust Fund moneys and other highway revenue.

Road improvement programs are not only economically feasible but vital to the preservation of life and property. More and more of our roads should be constructed to Interstate standards . . . divided roadways and control of access.

We adhere to the principle that taxes should be assessed in an equitable manner; that there should be a sharing of highway costs by indirect beneficiaries.

For the National highway program to proceed in an orderly manner, the states should receive Highway Trust Fund moneys at the maximum level, both to expedite highway construction and improvement and to preserve the integrity of the Fund.

We unalterably oppose any proposal for diversion of highway tax money for purposes other than those related directly to highways.

Because of inflation—the increased cost of construction and maintenance—it is evident that highway funding must be augmented in order to maintain present quality levels.

In view of the need for new energy sources—and concern with the environment, any new development should include provision for construc-

tion and repair of needed roads, maintaining and, if possible, enhancing natural settings.

Highway users, as energy consumers, bear the ultimate price of any burden placed on energy producers, either in the form of regulations or taxes; they will lose mobility if such a burden on energy producers discourages the discovery and development of new domestic energy sources. The Conference believes that regulations or taxes that will interfere with energy development and supply are contrary to the best interests of the public.

PUBLIC INFORMATION

Highway users, now paying the full cost of Federal and state road programs, are entitled to the highest degree of integrity, efficiency, and competence in the construction and maintenance of highways and in the administration of highway programs.

Major responsibility for highway programs should be continued in state highway departments, recognizing the time-honored Federal-state relationship.

Therefore, highway officials at all levels of government are urged to provide comprehensive and comprehensible reports to the public on their accomplishments and goals, progress on current programs, and explanations on revenue sources and expenditures.

Commercial establishments along controlled-access highways, to best serve the motorist, should be maintained on a free-enterprise basis.

URBAN PLANNING

State and local highway officials should cooperate in land use studies and programs for a fully coordinated urban planning process.

Urban transportation systems should respect the right of the individual to choose the mode of transportation best suited to his economic needs and preferences.

When environmental requirements have been met, proposals to halt urban freeway construction should be opposed, and efforts to utilize

highway taxes or tolls for other means of transportation ought to be rejected.

Increasing demands for both freight and passenger transportation require that construction of freeways and feeder roads should go forward regardless of the opposition of special interest minority groups.

UNIFORM VEHICLE CODE

Every state needs the historical support of highway users and officials for the uniform laws program of the National Committee on Uniform Traffic Laws and Ordinances.

In North Dakota, efforts in this area by state highway and safety officials are commended, and a continuance of these endeavors is encouraged.

SAFETY

We subscribe to the national "3 by 80" goal—a reduction from the present 4.2 traffic deaths per 100 million vehicle miles to 3 or less by 1980.

We urge continuation and extension of sound traffic safety work in a well balanced program of emphasis in areas of greatest need, and the coordination of state and local efforts to attain National Highway Safety Standards.

Inasmuch as alcohol involvement has become the No. 1 priority in highway safety, this fact should be reflected in performance by the Legislature, enforcement bodies, and the courts; and increased effort toward rehabilitation of the problem drinker—by courts, social agencies, the medical profession—is imperative. A positive approach to the drinking driver problem is provided by the DWI Counterattack program now available in a number of communities, a cooperative effort involving the courts.

Studies by nationally accredited organizations show that the North Dakota Highway Patrol is below strength for optimum effectiveness and that many city police departments and sheriff offices are undermanned. This shortage of enforcement manpower requires attention at all levels of government.

In this connection, the Conference commends

the Legislature, State Highway Patrol, and county and city governments for continuing efforts to upgrade enforcement personnel, and salutes the Patrol for its operation of a training academy open to anyone involved in police work.

Note should be made of the contribution of the medical profession to improve emergency medical services, and the work of the Supreme Court to modernize and consolidate court systems.

Elimination of hazardous sites, as indicated by accident frequency and severity, requires continued vigilance and action by state, county and city officials.

There is a continuing need for school driver education, private driving schools, and clinics for traffic law violators.

Because reduced highway speeds have proved effective in lowering accident and death rates and preserving vitally important gasoline supplies, lower limits should be retained.

BASIC GOALS

The North Dakota Highway Users Conference, a state-wide assemblage of individuals, organizations and officials concerned with highway transportation, has as its purposes:

(a) Promoting sound policies of highway planning, development, use, maintenance, safety, taxation, financing, and administration.

(b) Acting, in open forum meetings, as a clearing house for the gathering and dissemination of factual data on national, state and local legislation, and policies and practices affecting highways and highway usage

(c) Integrating the interests of affiliated individuals and groups to safeguard the rights of the motoring public, and to assure that highway programs are geared to best serve the public interests.

(d) Providing members an opportunity of meeting and sharing views with highway and other state officials

EDITORIAL COMMITTEE
James B. Connolly, Lloyd C. Hanson, Keith Howard

Participants in the

NORTH DAKOTA HIGHWAY USERS CONFERENCE

—for adequate, safe highways—

AAA—North Dakota Automobile Club
Automobile Dealers Association of North Dakota
Associated General Contractors of North Dakota
Central Livestock Association
Farmers Grain Dealers Association of North Dakota
Greater North Dakota Association
Greyhound Lines—West
Insurance Federation of North Dakota
League of North Dakota Cities
Montana-Dakota Utilities Company
North Dakota Bakers Association
North Dakota Beverage Dealers Association
North Dakota Bankers Association
North Dakota Bottlers Association
North Dakota County Commissioners Association
North Dakota Farm Bureau
North Dakota Farmers Union
North Dakota Federation of Labor
North Dakota Implement Dealers Association
North Dakota Motel Association
North Dakota Hotel Association
North Dakota Mobile Homes Association
North Dakota Motor Carriers Association
North Dakota Petroleum Council
North Dakota Potato Growers Association
North Dakota Retail Gasoline Dealers Association
North Dakota Rural Letter Carriers Association
North Dakota Star Route Association
North Dakota Stockmen's Association
North Dakota Outdoor Advertising Association
Northwestern Bell Telephone Company
Portland Cement Association
The Asphalt Institute
Union Stockyards Co.
United Commercial Travelers

THE PIERCE CO., FARGO 5

STATEMENT SUBMITTED IN BEHALF OF THE RED RIVER VALLEY POTATO GROWERS ASSOCIATION, East Grand Forks, Minnesota (Minot hearing Public Works Committee, Saturday, May 24th, 1975)

My name is E.J. Hanson, Box 1177, Grand Forks, ND. I am appearing here today in lieu of Mr. Lloyd Schmidt, the Executive Vice President of the Red River Valley Potato Growers Association, which has its offices in East Grand Forks, Minnesota. The Red River Valley Potato Growers Association is comprised of about 1,500 grower members of Minnesota and North Dakota.

I am now, and for the past 27 years have been, the Traffic Director for the Red River Valley Potato Growers Association. My work for this Association has been concerned with the movement of nearly 20 million cwts. of potatoes every year from the Red River Valley to the nation's markets. I have discussed the matter of filing a statement here in behalf of this association with Mr. Schmidt and he concurs in this statement.

The Red River Valley of the north is the border between Minnesota and North Dakota. This fertile valley, which is about 40 miles wide, and 150 miles long, is an outstanding producer of agricultural products. Among these commodities are potatoes. About 30 million cwts. more or less are produced each year--the third largest potato production in the nation.

The greatest portion of this production occurs in the area of the Red River Valley lying on and north of U.S. Highway 2 to the Canadian border. Other areas of heavy production are along N.D. Highway 18 south of Larimore, N.D. including Northwood and Hatton, N.D. Production south of Hwy. 2 along Interstate Highway 29 extends as far south as Hillsboro, N.D., 40 miles south. Similarly on the Minnesota side of the Red River, potato production extends south of U.S. Highway 2 as well as north of Hwy. 2. Another large potato producing area which is allied with the Valley, is the area lying slightly northwest of Devils Lake, N.D., about 100 miles from Grand Forks, N.D. This is the Cando area which is large producer of potato seed as well as potatoes for the markets. This area is entirely dependent on U.S. Highway 2 for truck transportation, either east or west.

Potatoes are a perishable commodity. As such, it is important that they arrive at their markets as soon as possible after shipment. In past years, about 1/3 of our shipments went to market via motor truck, and 2/3 via rail.

Successive increases in rail freight rates during the past three years, and the development of larger, more efficient trucks, have created a situation where this season we possibly have 50% of the movement via truck. Trucks are becoming an increasingly more important medium for the movement of this crop. Trucks need highways

The movement of Red River Valley potatoes occurs between September of one year, and June of the next year. This is our shipping season. During this time, it is most important that good roads are available which are free from snow in the winter, and are not subject to extreme highway restrictions in the spring.

A good share of the potatoes trucked from the Valley must use U.S. Highway 2 for a portion of the trip out of the Valley. We are vitally interested in a safe, all-weather road for the movement of this important food commodity.

We are interested in other aspects of this problem. The availability of a good highway is most essential. We also feel that the free flow of this commerce should be helped rather than hindered. Being an exempt commodity, i.e., exempt from regulation as to rates and operating authority, anyone that has a truck can truck potatoes. A part of the difficulty in engaging in this business is the fact that no backhauls are available to most truckers. If the trucker can find a load of an exempt commodity back into our area, he will have a backhaul. An example, would be a load of citrus fruit from Florida or California, or vegetables from the Rio Grande Valley to Minneapolis, whereupon the trucker would dead-head up to the Red River Valley to get a load of potatoes. This, however, limits the number of trucks that are available.

Another facet of this problem is state regulation and the lack of uniformity of weights, lengths, registration, speed limits, licensing, insurance, and fuel purchase in the various states. It has seemed to us that with the Federal government participating in at least 50% of the construction of these major highways, with as high as 90% participation in the Interstate Highways, that perhaps the federal

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regulations should be devised so as to facilitate these operations. I know not whether or not this committee can do anything about this problem, but we thought we would mention it for whatever it is worth. We are very much in support of the improvement of rural roads. We strongly advocate added emphasis to the bringing of U.S. Highway 2 up to accepted standards.

Respectfully submitted,

E.J. Hanson
Traffic Director

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WRITTEN TESTIMONY SUBMITTED BY: April 21, 1975

Armin Ross, President
Red River Valley Sugarbeet Growers Association, Inc.
101 North Third Street
Moorhead, Minnesota 56560
Tele: (218) 236-5072

My name is Armin Ross, I am president of the Red River Valley Sugarbeet Growers Association, Inc. which has 1,500 members. As farmers and sugarbeet growers, roads and bridges are essential to our survival. Without them, we are unable to get our raw product to market. Wheat, beans, potatoes, corn, milk and sugarbeets, all these products leave the farm to go to market via local state and federal roads. Farmers everywhere are tooling up and upgrading their equipment to meet world demands for food and as farmers with a huge investment in equipment we have a vital interest in the condition of our farm to market roads. For it is as simple as this: without adequate roads, farmers are out of business.

Thank you.

For: Minot, North Dakota (Hearing)
re-scheduled May 24, 1975

SOUTH DAKOTA
Department of Transportation
Office of the Secretary
Pierre. South Dakota 57501

April 14, 1975

Honorable Quentin N. Burdick
Senate Office Building
Washington, D.C. 20510

Dear Senator Burdick:

On behalf of Governor Richard F. Kneip, the attached information was developed for presentation at the Senate Public Works Sub-Committee hearing at Minot, North Dakota on April 19, 1975.

A representative will appear at the hearing to formally present the information and answer questions on the content.

It is indeed a pleasure for our state to be given the opportunity to participate. Thank you.

Sincerely,

Herb Teske

HERB TESKE, SECRETARY
DEPARTMENT OF TRANSPORTATION

HT.m

Statement of Herb Teske, Secretary
South Dakota Department of Transportation

April 19, 1975

United States Senate
Public Works Sub-Committee on Transportation
Washington, D.C.

Gentlemen:

I am grateful for the opportunity to address the Senate Public Works Sub-Committee on Transportation and to present some of the transportation problems which we face in South Dakota. Many of the problems we have are shared by our neighbor states and others are unique to South Dakota.

Recognizing the basic rural nature of South Dakota it is clear that our most pressing need at present and for many years into the future will be funds for primary and secondary highways. Increased costs for labor and materials and declining revenues from motor fuel taxes threaten to curtail the vital services of highway construction and maintenance so important to the economy of our state.

The State Trunk System as established by the legislature consists of 9,293 miles of highways of all classes, including 678 miles of Interstate of which 115 miles remain to be completed. Fourteen hundred and ninety-three miles of our state trunk system are not maintained by our Division of Highways, since we have not been able to do any construction on those sections to the present time. Of the 7,800 miles maintained by the state, 35% is rated unsatisfactory according to modern standards and our federally approved sufficiency ratings. Another problem which is becoming more critical each year is the condition of bridges on our state trunk system. An inspection of our bridges completed in the fall of 1974 revealed that 205 of our 1900 bridges are deficient to the point of

constituting hazard to safe travel. Of these bridges 63 show fatigue and deterioration to the extent that restrictive load limits have been posted. It is imperative that an extensive bridge rebuilding program be launched without further delay. However, at the present time we lack the funds needed for such a program.

I mentioned the spiraling costs of highway maintenance at the beginning of my presentation. Let me present an example. In 1964, $5,061,000 was spent to maintain the state trunk system. This made up 8.2% of our total budget. In 1974 we spent nearly $18,000,000 for maintenance, or 22% of our total budget. In ten years our expenditures for maintenance have more than tripled over the 1964 total. Costs of construction have escalated in a similar manner. In 1970 on a typical Interstate project 11.02% miles were graded and surfaced for $6,827,000. In 1974 that same amount of money would build only 6.32 miles, or 43% less. A primary project was also completed in 1970 which involved 12.8 miles at a cost of $1,708,000. In 1974 the same amount of money would have built only 7.37 miles, or again 43% less.

The costs of our construction and maintenance projects have been further inflated by the President's energy policy which ultimately would have increased the price of imported crude oil by $3.00 per barrel. Fortunately, the President, on March 4 delayed the imposition of additional tariff on oil, but left in effect the $1.00 fee which he had earlier imposed. A recent study by the Library of Congress shows that even a duty of $1.00 per barrel will impose a significant burden upon all of our citizens who are direct or indirect users of petroleum energy. It is estimated that if the indirect ripple effects on the economy are included, the total cost to the country, according to the study, could be as high as $10 to $13 billion a year. The effect of this increase

on the cost of asphaltic highway construction materials is unknown at the present time, but any substantial increase in our already inflated costs could make the use of these materials for highway construction and maintenance prohibitive.

Several proposals have been advanced by the Congress and the administration for alleviating problems of financing transportation in the various states. These proposals include elimination of the Highway Trust Fund, rebating federal gas tax and excise taxes back to the states, increasing the federal gas tax, and reducing the federal gas tax. None of these proposals is wholly acceptable for reasons which I shall address shortly.

At the state level our Governor requested that our legislature enact a 2½¢ increase in the state gas tax, with one-half cent going to the municipalities. It was felt that at least that much was needed to keep pace with the rate of inflation and to achieve approximately a 1970 level of highway construction and maintenance. Unfortunately, the legislature saw fit to grant only a 1¢ increase in the gas tax with no portion of the receipts going to the municipalities. This will provide a net increase of $3,200,000 for highways at the 1974 rate of consumption. Despite this increase we will fall far short of the 1970 level.

It appears at this stage that unless something takes us off our present course, we will be at near zero in new reconstruction of our highways by 1977. At that time our funding will be dedicated almost solely to maintenance. We shall be hard pressed to provide even the matching requirements for federal-aid construction projects.

It is evident that the highway transportation problems of the states must be

addressed at the national level. The sheer immensity of these problems exceeds the state's capacities for remedy or amelioration. I therefore recommend that the Congress take the following actions in highway legislation:

1. Accelerate the funding for completion of the Interstate system. Originally the system was scheduled for completion in 1976. However, inflation has put this goal out of reach. At present funding levels we are able to build and surface about 10 miles annually. There will still be approximately 50 miles of I-29 to construct in South Dakota at the end of fiscal year 1977.
2. Preserve the highway trust fund. South Dakota, along with 25 other states are "receivers" in terms of the relationship between contributions to and benefits received from the trust fund. Over the past ten years we have received an average of $1.80 in apportionments for every dollar that we have contributed to the trust fund. Former Secretary of DOT, Claude Brinegar, consistently advocated that the trust fund be terminated. It is my understanding that President Ford will submit to the Congress a four year highway proposal which calls for elimination of the trust fund except for completion of the Interstate.

   The Kennedy-Weicker bill (S1300) would terminate the trust fund, channel the highway user fees into the treasury general fund, and place greater funding priorities on urban mass transit. I do not believe these measures to be in the best interest of the states of rural America.

   It is not only in our own self-interest, but for the best interest of the country that I recommend not only the preservation of the fund, but the preservation of the user-benefit concept underlying the creation of the trust fund. Termination does not seem consistent with any rural growth policy which would seem to be a logical long range goal in alleviating problems of urban congestion

3. Revise the 1973 Highway Act to reduce the number of funding categories and increase flexibility in the use of funds. I favor a return to the policy which existed prior to the 1973 Act in which the states had flexibility to use primary or secondary funds anywhere on the system. The number of categories should be reduced from over 30 to 3; namely, Interstate, primary and secondary.

   A further change in the 1973 Highway Act is recommended in the method of allocating Metropolitan Planning Funds under Section 112. It is a requirement that these funds be channeled directly to planning organizations or districts in cities over 50,000 in population. As a result, only one city in South Dakota receives the total minimum allocation (more than $300,000 over a three year period). This amount exceeds the planning requirements for this metropolitan area by several times over. States should be authorized to establish their own formulas so that these funds could be utilized by other urban areas in each state, as well.

4. Provide for transportation needs of citizens in rural areas. I recognize the need for mass transit in the nation's urban areas. However, something needs to be done beyond demonstration projects to provide for public transportation in our rural areas. Particularly needy are the aged, poor, and handicapped who have extreme difficulty in taking advantage of health and welfare services because of inadequate transportation facilities.

In the time remaining, I would like to bring to your attention several concerns that I have in the area of rail transportation and aeronautics.

The problem of railroad abandonments and the future of branch lines are critical concerns since 10 percent of this mileage in South Dakota is currently proposed

for abandonment. The recent legislation dealing with the northeast rail corridor does little to solve our problems. I recommend that the US Department of Transportation and its Federal Railroad Administration be given a congressional mandate to present a coherent national policy on branch line operations in the middle west. This is basically a regional problem which is of equal concern in our neighboring states. The issue should be addressed not just from the standpoint of the effect on the railroads, but also from the standpoint of its effect on the communities and shippers served by branch lines. The major commodities shipped in South Dakota do not lend themselves well to truck shipment, and should trucks be called upon to haul these commodities presently moving by rail, the result would be costly upgrading of existing highways to handle the increased loads and traffic.

In the field of aeronautics our concerns are that the present Airport Development Aid Program will not be renewed upon its expiration on June 30 of this year. We believe the funding level of the ADAP should be increased over its present $310 million level to stay in line with inflated costs in airport construction. This could be accomplished by carrying over balances of funds built up over the past three years plus a surplus existing in the old FAAP program. In addition, funding should be provided for acquisition of land outside the airport boundaries for safety buffer zones. We do not believe that aviation trust fund monies should be used for funding the FAA operating budget.

I thank you for the opportunity to present these statements which I hope will assist you in your deliberations.

Sincerely,

DEPARTMENT OF TRANSPORTATION

HERB TESKE
SECRETARY

502 6 St N
Wahpeton, N D 58075
March 30, 1975

Senator Burdick
Washington D.C.
Dear Senator,

according to the March 30 Fargo forum you have invited 40 persons to testify at a Senate field hearing April 19 in Minot. Subject transportation.

We need the following in rural America.

1. Better passenger rail service. government subsidises plane service do the same for rail.
2. Better and more buses
3. Feeder buses to accomodate people in small towns to get to the main line rail & bus lines
4. Small buses for older retired people or people without cars to use in

their own communities.
Older people are without transportation to shop, church and grocery stores. They no longer need to go to the bank because of inflation.

I have written to you before about the dire need for the above type of transportation.

Sincerely,
Eva Sturge

V. L. EBERLY
DEPUTY

R. W. SANOS
ADMINISTRATIVE ASST.

THE STATE OF NORTH DAKOTA
Department of Public Instruction
M. F. PETERSON, Superintendent
BISMARCK, NORTH DAKOTA 58505

LOWELL JENSEN
ASSISTANT

H. J. SNORTLAND
ASSISTANT

April 8, 1975

TO: United States Senate Public Subcommittee on Transportation
The Honorable Quentin N. Burdick, Coordinator for North Dakota

FROM: J. T. Carlson, Director, Pupil Transportation for the
Department of Public Instruction, State of North Dakota

In North Dakota, during the 1973-74 school year, we had a total of 1696 school buses used to transport 55,826 pupils to and from school each day. The total mileage traveled by Public School buses in our state was 24,705,386 miles during the 1973-74 school year.

A high percentage of the bus routes used by our North Dakota buses are on roads that are not surfaced, many of these roads have poor gravel and many are but dirt or clay in their construction.

After a heavy snowfall or a heavy rainstorm, many of our buses are not able to make their daily trips. As a result of not being able to make the trips, many school pupils must be absent from school. We often hear weather announcements over radio stations informing rural families that school will be in session but buses will not run.

The State of North Dakota assists school districts in meeting their operating costs. Last year the state paid local districts a total of $5,592,617.00. These payments do not include the cost of capital outlay. Buses now will cost a school district or private operator as much as $15,000 to $20,000 per unit. Due to poor road conditions, many of our school districts must replace their equipment more often than this equipment is replaced in other parts of our country where road conditions are better.

Since buses travel where people live and buses must leave the main surface roads, we would request that improvements be made in main line bus routes. These bus routes should be graded up and surfaced so that they will become all weather roads.

We want to thank Senator Burdick and the Senate Subcommittee on Transportation for the many past improvements which have been made in our road system in the state. We hope that serious consideration will be given to the above suggestions to continue to improve the school bus routes of our state.

J. T. C.

FUTURE OF THE HIGHWAY PROGRAM

MONDAY, JUNE 16, 1975

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Albany, N.Y.

The subcommittee met at 9 o'clock a.m., pursuant to call, in room 306, Assembly Parlor, State Capitol Building, Hon. Lloyd Bentsen (chairman of the subcommittee) presiding.

Present: Senator Bentsen.

OPENING STATEMENT OF HON. LLOYD BENTSEN, U.S. SENATOR FROM THE STATE OF TEXAS

Senator BENTSEN. Ladies and gentlemen, these hearings will come to order.

Today, the Senate Transportation Subcommittee will hold the second in a series of regional hearings around the country discussing the transportation problems of rural America.

Last year we concentrated very heavily on mass transit and on completion of the Interstate System. We devoted considerable attention to the problems of urban transportation. In 1973, the subcommittee reported out a major highway bill, which, for the first time, allowed urban highway trust funds to be utilized in local option for bus or rail mass transit.

Last year we held a series of hearings on urban transportation in all sections of the country and made a substantial contribution to the $11.6-billion urban mass transit bill that was passed through the United States Congress.

While we recognize that the major urban areas are plagued with congestion, deteriorating transit systems and a serious lack of mobility among low-income groups, we also know that the problems of rural transportation are of no less concern. It is time we turn our attention to these problems now, prior to the passage of another major highway bill this year.

I was reading the New York Times as I was coming in, telling about for the first time, a new trend, the first time since 1970, in what is happening to population. That is, it is a sharp decline in the rate of growth in the urban areas and the people moving into them; and for the first time, seeing the number of cities in an outflow of population to the rural areas.

We have seen in this country, 50,000 miles of rails abandoned since the 1920's, and 6,700 additional miles pending before the ICC last year.

As railroad mileage declines, the burdens on the rural roads and bridges will increase. Only about one-fifth of our rural roads are rated as having a high load capacity, and the condition of bridges is also a matter of grave concern. Studies show we have over 90,000 deficient bridges in this country.

The hard fact is that we have concentrated heavily on our Interstate Highway System since the mid-1950's, and the rural roads and bridges have suffered from growing neglect. That situation is particularly harmful to agriculture where at a time when there is considerable demand for our agricultural imports, we are finding our transportation system is not up to the task of moving our goods to market.

New York, which is thought of as a highly urbanized State, has the Nation's second largest rural population. Moreover, approximately 1,100 miles of rail are proposed to be abandoned in New York, primarily in the northern and western parts of the State. The effects of these abandonments can have the most serious economic consequences.

We know there is a direct relationship between availability of good transportation and economic development If rail service, either rail or passenger, is withdrawn from rural areas, there is an impact on employment and on the growth potential of the areas involved. Businesses are likely to judge the adequacy of transportation facilities before deciding whether to locate there. If the area is really deficient in transportation, it is poor for investment.

We want to explore the problems created by the rail abandonment in New York and particularly the impact of those problems on other forms of transportation and the economic health of the State. Specifically, we want to discuss possible remedies in the new highway bill or other Federal legislation to deal with the absence of rail service.

We also will be receiving testimony on other rural transportation issues; the conditions of rural roads and bridges and the isolation of the rural poor and elderly and the need for rural mass transit services.

For these New York hearings we have an impressive array of witnesses representing State government, agriculture, citizen groups, and private industry.

We expect the information we receive here today to be helpful to us as we try to write a rural transportation policy worthy of a great power in the last quarter of the twentieth century.

We are pleased this morning to have as our first witness, Commissioner Ray Schuler, who is commissioner of the New York State Department of Transportation.

Commissioner, if you would take the stand, please?

STATEMENT OF RAYMOND T. SCHULER, COMMISSIONER, NEW YORK STATE DEPARTMENT OF TRANSPORTATION

Senator BENTSEN. As I recall, I had you testifying last year on the urban problems.

Mr. SCHULER. Yes, sir, we did. And it was very helpful. You addressed at that time some very deep concerns that we had here in our State and specifically, in our metropolitan areas.

Senator BENTSEN. These hearings were a major contribution to us in what we finally did in mass transit legislation. You were very helpful in that regard.

Mr. SCHULER. So were you, Senator. I hope the work you are now doing today, addressing itself to rural transit, will be as fruitful, not just to New York, but to the northeast and to our entire nation. The efforts of your work in the committee have been most helpful toward giving us a plan to providing the kind of funding we need to meet the problems we have in the State of New York.

On behalf of the Governor I filed a detailed statement. In the interest of those who will follow who will deal with specific areas, I will briefly summarize that statement for you.

First, on behalf of the Governor, I welcome you to Albany and commend you and the committee for taking these hearings around the country so that Washington comes to the States. Although, as you know, our history has been the States going to Washington, pleading, it is very interesting to find you and your committee coming into our States and into our rural areas to find out the needs, desires, and wants for our public, our citizens, and our areas for their continued economic growth.

I find it a good pleasure to be before you and this committee, who has exhibited progressive and fine thinking as already cited in last year's bill.

I am confident working together, we will have a bill addressing itself to the concerns we still have today.

For background, I would like you to know, as a commissioner for transportation for our State, it is probably the most comprehensive agency for transportation in America, because we have combined in a single agency, the planning for all roads, public and private, and added to that, the economic regulation for all modes, public and private, which means we can use the various weapons to address ourselves to the concern of trying to provide balanced transportation.

In addition to our canal system and airports providing the assistance to the subway system in New York, and the commuter rail systems in the metropolitan area, we also have programs which concern themselves with railroads in our State and across the board, the planning, promotion development, and economic safety regulations for transportation.

We are particularly pleased in the interest of investigating the problems for transportation in the rural areas that has led to these hearings and we thank you for citing the fact that we have the second largest rural population of all the 50 States in the country.

Additionally, our agricultural production is substantial. We are the second largest State in dairy products and one of the top three in the production of apples and grapes. As a matter of fact, my own home county, Ulster, is one of the largest table growers, corn growers, of any county in America.

We normally think of the Midwest as the great cornbelt. Yet sweet table corn comes right from this valley. I am most gratified that you have asked us to address the consequences of rail abandonments in New York State. This is a subject that has caused great concern. We have spent a great deal of time and effort in analyzing what the abandonment of our rail system will cause.

Should the recommendation of USRA be accomplished as recommended in their preliminary system plan, New York State would be faced with the loss of businesses that employ over 2,000 people.

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Should New York be unable to subsidize these lines with fair dollars, we would use payrolls in excess of $15 million.

Of equal importance or significance today is that during the last 2 years, while our rail task force was at work in a combination effort with the State Farm Bureau, associated industries, citizen community groups across our State, we found a substantial impact on agriculture due to the requirement of moving fertilizers and feed grains in our State.

We would lose actually 23,000 acres of farmlands for production in New York, if the rail line abandonments proposed are implemented. If these federally prescribed rail abandonments were to take place, we feel the Federal Government would have the responsibility to help alleviate impacts.

Therefore, meeting the responsibility in the first instance seems the most desirable way to go. We have not been idle while the USRA has been developing its preliminary system plan. I have repeatedly pointed out to the Congress and the leadership of USRA that their methodology for determining the profitability of the rail lines is grossly unfair. Basically, an excessive share of main line costs is assigned to branch line operating costs. The result is to depict profitable lines as losers, thereby, justifying the exclusion from the basic rail network.

I would be pleased to provide the committee with our analysis of the situation. I will submit that as part of our statement and ask it to be made a part of the record.

Senator BENTSEN. We will do that.

Mr. SCHULER. Thank you, Senator. I propose that the ultimate solution to the present rail problem, which is national in scope, rather than regional, is to implement end-to-end, transcontinental rail mergers, ConRail or whatever rail configuration is finally produced by the USRA's planning process, should be viewed as an interim step toward accomplishing transcontinental mergers. I have available for the committee our studies and recommendations on this issue.

I should like now to turn to your concern of loss of rail services in rural areas. They might require expansion to meet rural transportation needs. The impact of such abandonments on our rural highway facilities could be substantial. In some cases the loss of rail services would create very significant problems of highway inadequacy.

For example, in the northern part of our State, abandonment of the DeKalb-Ogdensburg branch would generate approximately 20 additional truck trips daily, most of which would occur on U.S. Route 11. Route 11 is an old two-lane highway which passes through numerous small villages. It is very heavily travelled in the summer by the tourists.

Additional truck usage would present the potential for traffic congestion in the villages, and could pose additional safety hazards.

Another example is Canajoharie, with the abandonment along the Mohawk River, this would have an adverse impact, not only on the industry itself, but the truck loads. Traffic for Baker Beech-Nut will testify later this morning about that.

The additional demands upon the rural highway system together with the economic impact that affects the branch line are enormous. Moreover, shifting from rail to truck transportation cannot fail to have a detrimental effect upon energy.

Beyond the large immediate issues of railroad abandonments and the future of rail systems, we should also consider one of the localized travel needs of our rural communities. I actually anticipate that the cost of private transportation will increase through gasoline conservation taxes or through higher petroleum levies.

These higher costs will have a particularly harsh effect with increased fuel costs and more rural residents unable either physically or economically to provide their own transportation. We will face serious social problems.

One means to meet this challenge is to provide expanded and improved public transportation with our rural areas. While considerable capital investment is required, I feel the major need is meeting the operating expenses of rural transit service.

In this regard, I favor the provisions of Senate bill 662, which will allow half of the $5 million authorized under section 4(c) of UMTA to be used for operating subsidies.

The results for the planning approach of the UMTA Act is to be used in the rural areas. However, to accomplish this, a source of funds with which to finance necessary planning studies is required.

At the present time, section 9 UMTA funds are currently available only for urban transit studies. This should be rectified by amendments to make these funds available for rural studies as well.

We are now completing a rural transit study in Cattaraugus County. We will provide to the committee the results to demonstrate the desire for rural transit, how they can be put in place and properly used. But clearly it shows that we need the funding flexibility to provide operating assistance at the same level as we do in our urban areas today.

Therefore, I urge that the rural highway, public transportation, demonstration program should be continued beyond the current operation for Federal fiscal years 1975–76. The funding levels should also be increased to provide an annual appropriations on the order of $20 million.

I applaud and we fully intend to utilize the provisions of section 147 of the Federal Aid Highway Act to develop and demonstrate public transportation services which will provide some alternative to the automobile in rural areas.

We intend to utilize the new category of funding for rural transit provided by the National Mass Transportation Assistance Act of 1974, to purchase the buses and equipment which will be required to initiate such public transportation services.

Since we must, however, still rely on the private automobile and truck for the backbone of rural transportation, it is essential to continue to upgrade and improve the efficiency and safety of our rural highways and to eliminate excessive grades and curves and poor surfaces which constitute safety hazards and are costly to the use of fuel.

In our own State we have recognized this by developing a program called reconditioning and preservation. It is a highly desirable program staying generally within the existing rights-of-way, fixing the existing pavements that we have, providing the safety features where we can.

It is generally a 100-percent State-funded program because under existing laws, it does not qualify for Federal aid.

As you are aware, $7.4 billion in Federal aid was authorized for apportionment to the States for fiscal year 1976. However, these funds are distributed under 26 different highway programs and 10 highway safety programs. This multiplicity of specialized programs has caused an administrative morass and resulted delays.

Heartily, I recommend that four major highway categories be created, urban, rural, interstate and safety. Such simplification will improve the programing of highway improvements and eliminate the artificial distortion of program priorities.

I also propose that the rural Federal Aid Highway funds apportioned to each State be made available for use without restriction to each State's rural system. Some propose that funds for rural highways could be used to improve highways not included on the Federal aid system.

We join in support of that concept. However, at this time we would have to be opposed to the funding of this program unless additional revenues can be provided for, we already face a system that needs tremendous repair, rehabilitation of the existing Federal aid highway and local State systems.

Other important legislative areas which I will make brief reference to, is the Federal Aid Urban System Program which earmarks funds for major projects in communities with a population under 200,000. This means that 91 percent of the money is now earmarked to five urban areas of our State.

This restriction should be removed, making such funds available to the small communities. While I endorse the need to complete the Interstate highway system, there is also a need to provide funds under this program to upgrade and maintain what is already built.

One example is the New York State Thruway, I–90, which has portions almost 25 years old and require increased maintenance.

There is a need for Federal funds to help advance less than complete new construction projects. This category of need has been previously recognized by the House and the ideas placed into the report on House bill 3786, are descriptive of the legislation needed.

Here in that report they describe our State's reconditioning and preservation efforts which are currently funded 100 percent-State.

I would hope as the bills work their way though and become law that attention can be addressed to this type of construction.

We appreciate this opportunity to briefly be before you and express to your committee and staff our views on this important subject.

I know that the Governor is anxoius to be with you to discuss our other urgent problems with transportation. We thank you for coming to Albany today.

Senator BENTSEN. Commissioner, I appreciate your testimony. It is helpful. On the one hand though, you ask for greater freedom to spend Federal money as you choose without excessive categorization. On the other hand you oppose, as I understand it, giving you the freedom to use it on roads that are off the Federal aid system?

Mr. SCHULER. I may have misled you in my testimony. We are without additional funding, could not support extending the existing Federal aid dollar futher to further systems within our State because the dollars already flowing to the State are inadequate to keep the Federal aid in State systems up to the standard required.

To take the same amount of dollars and to spread them further and deeper into program assistance, would only mean there would be a greater deterioration on the existing Federal aid in the State system. We support the concept of the flexibility of going into and using funds for our local system and indeed, we have done that in both our programs for off-systems work and provided State money for off-systems work.

Now at this time, without additional financing to flex the money to further up system work, it means the existing system which is already in need of more funding, will have to suffer.

Senator BENTSEN. I understand that argument. There is never enough money. But to give you greater flexibility to determine your own priorities as to whether the deficiencies are most severe, would seem advantageous to you.

Mr. SCHULER. We would accept the flexibility within the law to use it across the board for transportation on any system. The point I was trying to make is that in doing that we must be practical and recognize that the current Federal Aid System and State System is already short.

Senator BENTSEN. I understand that. I sympathize with you on the limiting of the number of categories. In fact, I supported that viewpoint in committee. Unfortunately, it didn't prevail.

I continue to support that. You run into a situation where Members of the Congress feel that there are certain priorities that are not being fulfilled unless they categorize them that they will not be fulfilled and therefore, seek to close their objectives and priorities on the State governments and the local.

Mr. SCHULER. If I might make a comment to that, Senator. This is why we believe there is very definitely a need for a national transportation policy. The administration has failed in producing one. I know the Congress has addressed itself to this several times, without response, to the administration. But clearly we need a national transportation policy.

In our own State, we have evolved a Statewide plan for transportation. There should be a comparable program at a national level or a policy by the national level on economic regulation on railroads, on roads, on air, across the board on all modes.

Senator BENTSEN. We are going to try to contribute to that on the hearings starting next month. It seems to me that our interest on highway programs really ought to be on modernization, increasing the safety rather than a great deal more on new highways. We ought to be trying to raise the standards of safety. Would you agree with that?

Mr. SCHULER. Yes, Senator. I think in your opening statement you hit on a significant point about our local systems in our State.

For instance, I have a report. It is just completed. It is of bridges in our State. We have now completed our Statewide bridge inventory program. We find we have in New York State, 141 bridges closed that must be replaced. Most of these serve small towns and villages.

Senator BENTSEN. Did you say closed?

Mr. SCHULER. Closed. Additionally, we have 2,564 that are open, but have been reduced in carrying capacity to somewhat usually

under 4 tons. That must be replaced if they are to serve the communities through which they provide access over rivers and streams. But these are 2,564. We found additionally another 3,000 that are in so need of repair that within 3 years we will fall into category 2 that must be replaced, if we don't get that repair work on them.

That is why in your opening statement, when you mentioned local bridges, your goal of opening categories to allow us to place funding on all of our systems of the State, we welcome that as a State. But we also recognize that additional dollars are needed in order to accomplish these programs.

Senator BENTSEN. I think better, rail abandonments, as it is being done here in New York. Will there be areas where you will see rail abandonment where substitution in the way of trucks will be forthcoming?

Mr. SCHULER. Yes, sir.

Senator BENTSEN. Why is that?

Mr. SCHULER. We have already, fortunately, because of the history of our agency being an economic regulation and involved with all those including railroads, we were developing our data long before the birth of USRA.

We had wished that they had used the data that the State had. We have found in our State, some 70 industries that cannot survive without rail service because of the type of product they move, in bulk.

Senator BENTSEN. Give me some examples.

Mr. SCHULER. Well, an example is a very heavy employer in the capital district, the General Electric plant which produces large turbine generators. You cannot move them over the road in trucks. Yet, the first plan produced by the secretary, actually called for the deleting of the branch line that serves that plant.

Initially, we have a line in central New York, referred to as "Arabia" that moves propane gasoline by rail, which is the safest way to move it. We are using State funds to rebuild that railroad in class II standards so we can qualify it being included in the national system. But it is these kinds of plants.

Additionally, I mentioned the agricultural impact that we found in our studies with State Farm Bureau that we had some 26,000 acres of land that could not be profitable to operate if we were forced to move fertilizers to the point of distribution by truck rather than by rail.

Senator BENTSEN. There is that much difference in the cost of moving fertilizer?

Mr. SCHULER. Yes, sir, I can provide those to the committee. There are other areas where the impact of moving by trucks would practically destroy the entire egg-producing market that we have, with the Delaware, Sullivan, Ulster County region supplying the metropolitan New York.

The increased cost for transporting the feeds and so on, produces very low profit. As you know from the experience in our own State, the type of agriculture and the additional cost means the breaking line between not keeping these products moving to market and keeping them.

We have an excellent branch line analysis which I will provide to the committee, which shows those areas where there are goods that cannot be moved other than by train.

Additionally, where in some instances the second category points out that the higher cost to move by truck would make the plant noncompetitive and therefore, they would opt to make a decision to close the plant at that site and to move that plant capacity to some other place.

Senator BENTSEN. It seems that this is coming at a rather unfortunate time when we read articles like this in the New York Times about recent population shifts in the Nation's eight major metropolitan areas, referring specifically to New York.

People are moving to the rural areas. You talk about the need to upgrade the Interstate Highway System. Are you talking about Federal funds being available for maintenance? Is that what you are speaking to?

Mr. SCHULER. Not directly, for a program as we would consider it for pothole patching and mowing of grasses. The Interstate System has reached the point in age and deterioration from wear that it is now requiring resurfacing, reconditioning, new nonstick pavements to be added. We think this is a reasonable cost against the Interstate System.

The Interstate System in our State has had tremendous wear. It has had the effects of this wear. We have groovings in the pavements that actually now trap water that produce the unsafe hydroplane.

That system should be resurfaced and we should be using the new-year design in available pavements of a nonskid type. We should be looking at the Interstate System on how to upgrade it, how to improve its safety and add some features that have been developed and improved since that time; not enlarging, but fixing up what we have got. That is consistent with all of our programs.

Our basic philosophy in our New York State transportation program is to get more out of what we have got. We have got an existing highway system that can be improved by resurfacing. We have a railroad program that can be improved by rehabilitation. It is not the regularly thought of kinds of maintenance programs but actually pavement rehabilitation, guide rail replacement and the new safety features that can be incorporated in designs that are now 25 years old in our State.

Senator BENTSEN. The abandonment of these rail lines, if it continues, will put an additional burden on the rural roads and on your rural bridges. Some of them, obviously, are not up to standards to carry the increased load; is that correct?

Mr. SCHULER. That is correct.

Senator BENTSEN. If that happens, then what happens to those small towns?

Mr. SCHULER. These small towns receive even a greater economic impact than they are suffering today with the reduced capacity of highway and railway systems. It will mean that the products and goods moving cannot be moved because the bridges are inadequate. The highway system itself is not designed to take heavy truckloads of traffic.

Senator BENTSEN. Thank you very much, Mr. Commissioner. We are appreciative of your testimony.

Mr. SCHULER. Fine, Senator. Thank you again for being with us and for the attention you are giving to a very serious problem for our State and this northern region.

[Mr. Schuler's statement and attachments follow:]

STATEMENT OF RAYMOND T. SCHULER, COMMISSIONER, NEW YORK STATE DEPARTMENT OF TRANSPORTATION

On behalf of Governor Carey, I would like to welcome the members of the Committee to the Capital of New York State. It is indeed a great pleasure to appear before this Committee in view of the progressive and forward thinking legislation that has been initiated by this Committee. I am confident that we can continue to look for this Committee to continue its leadership in providing the legislative means for meeting achieving the transportation need for the nation, its states, and localities.

I am particularly pleased that the Committee is interested in investigating the problem of transportation problems in rural areas since New York is usually characterized as being an urban, highly industrialized and densely populated state. While from certain perspectives the description is true, I'd like to give you an equally true, but contrasting picture.

As you have already noted, New York has the second largest rural population of all the states. This means that we have twice the rural population of Iowa, three times the rural residents of Kansas and almost five times the number of persons living on our farms and in our small towns that Nebraska has.

Our agriculture is also among the nation's leaders. We produce more maple syrup and cottage cheese than any other state. The output of our dairy herds puts us second in the production of milk and dairy products. Our vineyards, orchards and gardens produce enough grapes, apples, sour cherries, cauliflower and onions to make New York one of the top three states in production of these commodities.

We also have a lot of open space. More than 75 percent of the land area of the State is devoted to agriculture, woodlands and wetlands.

So while we have complex urban transportation problems to solve, we are equally aware of the problems that face rural New York and are deeply concerned with the national efforts to help solve them. It is in light of the realities of rural New York—its contributions of food and fibre and its dependence on efficient and economical transportation—in an environment of fresh air that we offer our testimony today.

You have asked us to address the consequences of rail abandonments in New York State. While such abandonments have statewide implications, they are particularly important for our rural areas where specialized producers may be particularly dependent on rail service.

I'd like to approach this broad issue on the basis of both short and long term impacts.

Were the United States Railway Association plan to be implemented, we know that in the immediate future we stand to lose businesses that employ over 2,000 people. Should New York State not subsidize many of these lines we will lose payrolls totaling $15 million annually which translate, through the economic multiplier, into an annual loss of almost $60 million a year in business activity.

These losses will come about because of the closing of businesses that handle commodities that cannot be moved by any means other than the railroad. Other firms will be forced to relocate: we don't know whether they will be able to remain in New York State.

These business losses and relocations will come about during a period of uncertain economic conditions and high unemployment. The displaced workers may not be able to move with relocating businesses and very well may not be able to find substitute employment in their home areas.

If these forced rail abandonments take place, there would be a large Federal responsibility to alleviate ensuing employment and economic impacts and accordingly create new Federal funding programs.

But I take strong issue with the United States Railway Association methodology for determining the profitability of individual rail branch lines which result in unwarranted abandonments. Their approach assigns excessive amounts of main line costs to the operations of branch lines. We have performed exhaustive technical analyses on this issue, which I will be happy to provide you. We have not, however, been able to persuade USRA to revise their methodology.

However, USRA should consider the situation on a wider scope rather than simply from the standpoint of their recommended rail system. Those branch lines which even under a USRA revised analysis might still appear to be money losers.

The revenue division to Penn Central for the shipment originating on a particular Penn Central branch line may be insufficient. So, from the limited perspective of Penn Central, that branch may not be profitable. However, in considering the other lines which forward such shipments they very well may receive revenue divisions that make them profitable. When viewed as a whole, what is a money loser Penn Central may be a profit-maker for the balance of the rail system. This is one reason why I have stated the branch line analyses of USRA are too narrow to judge branch line profitability. I have urged that end-to-end transcontinental mergers be implemented. The Final System Plan and ConRail—or whatever rail configuration is produced by the final USRA process—should be viewed as an interim step toward accomplishing transcontinental mergers.

When we view the rail system as a whole, just as when we analyze the highway system as a whole, we find that lightly used segments which don't appear to carry their own weight are essential for the efficient operation of the entire system.

As for the long term implications of abandonments possible under the USRA approach, I am particularly concerned about the Erie Lackawanna Railroad. The USRA Preliminary System Plan leaves the future of the Erie Lackawanna uncertain. We don't know what its future disposition will be in the reorganization process. We don't know if it will be acquired by the Chessie or the Norfolk & Western, both solvent railroads, or whether the Erie may become part of a competitor to ConRail, or if it may be made a part of a giant Northeast ConRail, or if it will even be continued intact at all. What eventually happens, however, is important to New York State.

The Erie is the main railroad through the Southern Tier of New York. This rural area stretching along the Pennsylvania border requires conscious efforts devoted toward economic development activities. Many of its counties are included in the Federal Appalachia development area.

If one of the less acceptable rail restructuring alternatives is chosen for the Erie, New York State stands to lose substantial economic potential for growth across the Southern Tier area.

Among other important issues to be addressed is this entire question of uncertainty about the final results of the entire USRA process. We must come to a rational decision very soon because, in the meanwhile, needed business decisions and investments are being delayed, investment and employment income are being lost and the people are becoming more discouraged about the performance of their government.

In those rural areas where rail lines are abandoned and affected shippers are able to convert their rail shipments to truck shipments we do not anticipate need for additional highways or substantial improvement of existing highways. This is due to the fact that these lines proposed for abandonment are lines carrying low volumes of carloads. At a maximum any conversion would add 3.3 truckloads of freight for every present carload to the State's highway system or an approximate total of 234 trucks per day. Although the increase would fall mainly on rural roads this total would be widely scattered throughout the State. Energy savings via rail in these instances of lightly used rail lines are minimal. The environmental impact must not be considered inconsequential. The substitution of improved highways for rail would not alleviate the environmental issue.

While we address the large and immediate issues of railroad service, we must also consider the more localized travel needs of our rural population. We fully anticipate that the cost of private transportation will increase, whether through gasoline conservation taxes or through higher and higher petroleum levies, either on imported or domestic production. These higher costs will have particularly harsh impacts on our rural people. They are generally older and less affluent. Travel distances to health and social services are relatively long. With more increased fuel costs and more rural residents unable either physically or economically to provide their own transportation, we will face serious social problems.

One means to meet this challenge is to provide expanded and improved public transportation in our rural areas. While capital investment is required, the major need is that of meeting the operating expense of rural transit services.

The establishment of a source of operating funds in addition to the currently available capital funds (under Section 4(c)) is important for the implementation of a meaningful rural program. We therefore favor the provisions of S–662, sponsored by Senator Williams of New Jersey, which would allow $250,000,000 of the $500,000,000 authorized for rural transit under Section 4(c) of the Urban Mass Transportation Act to be used for operating subsidies.

The planning approach of the UMTA Act used in urban areas, including the preparation of Transit Development Programs, is appropriate for rural areas as

well. However, a source of funds with which to finance needed planning studies is necessary. UMTA Section 9 funds are currently only available for transit studies for urban areas, but not for rural studies.

The Rural Highway Public Transportation Demonstration Program authorized under Section 147 of the Federal-Aid Highway Act of 1973 should be continued beyond the current authorization for Federal Fiscal Years '75 and '76. The funding level should be increased to provide annual appropriations on the order of $20,000,000. The current restriction imposed by the rules and regulations of the administration for the act require that operating expenses not exceed 30% of the total project budget should be eliminated, as it is inconsistent with the legislative mandate that private bus operators be given preference for intercity routes. Without some adjustment in the ceiling, many imaginative and locally-supported projects will receive minimal consideration because operating expenses will be the bulk of the project costs.

We applaud and fully intend to utilize the provisions of Section 147 of the Federal-Aid Highway Act to develop and demonstrate innovative public transportation services which will provide some alternative to the automobile in rural areas, small towns and villages. A number of the smaller towns scattered throughout the state have demonstrated their desire to initiate local transit service. We will utilize the new category of funding for rural transit provided by the National Mass Transportation Assistance Act of 1974 to purchase the buses and equipment which will be required to initiate such public transportation service. We hope to use these national programs and future similar programs to develop a public transportation system in rural areas which is responsive to the peculiar needs of the rural and small town residents. However, as much as public transportation is developed and expanded to its full potential, in the rural areas we shall still have to rely on the private automobile and truck for much if not most of our travel. Therefore, we must continue to upgrade and improve the efficiency and safety of our rural highways to eliminate excessive grades and curves and poor surfaces which are safety hazards as well as costly in use of fuel.

As you are aware, $7.4 billion in Federal-Aid was authorized for apportionment to the states for fiscal year 1976. This amount was distributed among 26 different highway programs and 10 highway safety programs. Each program having its own peculiar method of apportionment, standards, matching ratios and eligibility requirements. As a result of the administrative morass and delays engendered by this multiplicity of specialized highway programs, there has been a strong movement to reduce the number of categorical programs to four major highway categories of Interstate; Urban, Rural and Safety. Such simplification will immeasurably improve the programming of highway improvements, and eliminate the artificial distortion of program priorities imposed by the inflexibility of categorized funding. Each state has its own needs. No national formula can hope to allocate the funds in exact proportion to needs. Therefore, the present system forces undertaking projects of lower priority because of the restrictive categories.

We propose that rural highway funds apportioned to each State be made available for use, without restriction, to finance capital improvements to each state's rural Federal-Aid transportation system. While insuring a stable source of transportation financing, this proposal would have the effect of limiting Federal direct involvement in rural highways to the Interstate System. It would permit the States to allocate rural transportation resources in accordance with their own perceived needs, and to meet their own appropriate standards.

It has been proposed by others that funds for Rural highways could be used to improve highways not included on the Federal-Aid systems. This would have the effect of extending Federal support to every country lane and minor road, thereby making the Federal system meaningless. We could anticipate great pressure to divert Federal funding from the major highway systems for which the Federal Government should have a measure of responsibilities to the improvement of local roads with little or no statewide or national significance. Consequently we would oppose the dilution of already inadequate Federal funds to pay for improvements to non-system facilities. There is already too little Federal funds to take care of the needs previously designated Federal aid system without further spreading these funds even thinner by authorizing their use for all local road.

Other significant legislative areas to which I would like to call your attention to are:

The Federal Aid Urban System program by its present earmarking of funds, makes funds almost unavailable for major projects in communities with a popula-

tion under 200,000 Added flexibility in the Federal Aid Urban System program is needed to overcome this present deficiency.

I endorse the need to complete the interstate highway system but there is also a need to upgrade and maintain what has already been built. An example of this need would be the New York State Thruway (I–90) where portions of this interstate route are almost 25 years old and have a need for increased maintenance funds.

There is also a need for federal funds to be available for the less than complete new construction projects. This category of need has been previously recognized by the House and the ideas placed into the report on HR 3786 are fully descriptive of the type of legislation needed.

We thank you for the opportunity to express our views on this important subject which will directly influence the well being and safety of our rural population, and indirectly have an impact upon the lives of all of our citizens.

SOLVING THE BRANCH LINE PROBLEM

A CRITIQUE OF THE LIGHT-DENSITY LINE ANALYSES OF THE PRELIMINARY SYSTEM PLAN

APRIL, 1975

STATE OF NEW YORK
HUGH L. CAREY, GOVERNOR

DEPARTMENT OF TRANSPORTATION
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SOLVING THE BRANCH LINE PROBLEM

A Critique of the Light-Density Line Analyses of the Preliminary System Plan

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(Revised April 2, 1975)

Principal Authors: S. Burgess, R. Colucci, L. Rossi

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PREFACE

This report is about solving the branch line problem in New York State. Chapter I contains some pertinent background to this subject, and identifies the differences in philosophy that causes New York State to reject the approach to this problem taken by the United States Railway Association in their Preliminary System Plan, released February 26, 1975. Chapter II contains an examination of the analytical procedure that United States Railway Association followed in studying the branch line problem; this procedure is believed to reflect the same biases as those embodied in United States Railway Association's generally negative philosophy toward branch lines. In Chapter III we cast a critical eye at the results of United States Railway Association's analyses; then we build on United States Railway Association's own work to show how positive, constructive solutions to the branch line problem can be identified. In other words, Chapter III points the way towards solution of New York's branch line problems, and serves as the basis for specific recommendations for the development of the Final System Plan.

INTRODUCTION

A Conflict of Philosophy

Prior to creation of the United States Railway Association, New York State completed the most detailed and comprehensive studies of branch line railroad economics ever undertaken. These pioneering studies showed for the first time that the branch line problem was a management problem, and not one of hopelessly uneconomic operations.

Over the years, as railroad managements became more and more preoccupied with other problems, the branch line situation deteriorated. Costs, rates and services changed with little regard for the true needs of rail shippers and receivers located along branch lines. Adjustments in these elements that would have turned deficits into profits were rarely made. The situation was not--is not--hopeless, yet the imagination and hard work required to solve the branch line problem has rarely materialized.

As a result of its pioneering branch line studies, New York State adopted a problem-solving attitude and stepped into this management vacuum with its "negotiated solution" program. This program was created to focus management attention on the branch line problem, and to provide a "mechanism" for utilization of the talents of business and community interests in solving the branch line problem. This state program represented the first large-scale, positive approach to the branch line problem ever undertaken.

The first setback to New York's approach came in February, 1974 when the United States Secretary of Transportation issued his report, "Rail Service in the Midwest and Northeast Region." While this report was purely advisory, it upset many people because of the emphasis on identification of "potentially excess" rail lines. New York State rejected the mass abandonment philosophy of the Report, but little could be done about the unnecessary disruption and concern it had caused.

About this time the United States Railway Association was created to plan the restructuring of bankrupt Northeast railroads and had USRA adopted a positive attitude, much of the concern could have been turned into action to solve the problem. New York State urged the new agency to reject the counter-productive attitude promoted by the United States Secretary of Transpotation, and adopt instead the kind of positive approach being pursued by New York State. Unfortunately, the Secretary's negative attitude was carried over into USRA's work. As the Preliminary System Plan has revealed, USRA has failed to direct its talents and resources toward the identification of constructive solutions to the branch line problem, in order to prevent any loss of profit potential to Conrail.

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Instead, USRA has avoided the problem by sweeping it into the public sector, to take advantage of taxpayer subsidies. The federal subsidy program lasts only two years, so USRA is in fact recommending a mass abandonment solution. They hope to cushion the shock of this action by packaging the lines they have condemned under the heading, "available for subsidy."

It is true that the scope and detail of USRA's analysis is impressive. Its sophistication carries an aura of respectability which is apt to confuse the layman. It has also been cleverly packaged. But all this does not excuse or justify the fundamental error USRA has made in the philosophy which underlies their work. USRA's philosophy is found in Chapter 16 of the Preliminary System Plan, which contains the same, old one-sided explanation for the decline of branch-line rail service. The time to move away from this stale rationale is long overdue.

New York State has been at work on positive solutions of the branch line problem for over two years. It is disheartening to have these efforts set back by the recommendations of a federal agency new on the scene and apparently lacking the willingness to recognize and enhance solutions already in progress. New York State has learned that solving the branch line problem requires dedicated, long term effort, and has produced the funds and organization needed for the job. It is a problem that cannot be handled from afar by producing consultant studies and computer tabulations to justify a broad-brush dictum from Washington that mass-abandonment is the answer. This is simplistic. A much more diffuse effort is required by a greater number of people.

Some might question whether the solution of the branch line problem is worth such an effort. It should be recalled that Penn Central produced its "Prepaid Revenue Supplement Program" and began to make its own effort.[1] In fact, Penn Central recommended to USRA that certain lines (listed in Table 1) under study by USRA should be "upgraded for more efficient operation," yet USRA recommended that these lines be excluded from Conrail!

Table 1

Lines Recommended for Upgrading by Penn Central that USRA Recommends be Excluded from Conrail

USRA Line Number	Termini
111	Windsor Beach-Rochester
85	Ovid-Castle-Vernon

[1] In addition, Lehigh Valley has cooperated with the State in restoring services. Boston & Maine has stabilized local services through the negotiated solution concept. These railroads deserve credit for their attempts--attempts made with little available management time and no

USRA Line Number	Termini
83a	South Utica-New York Mills
---	Charlotte-Hamlin
---	Penn Yan-Hall
81	Rotterdam Junction-South Fort Plain
66	Mt. Kisco-Brewster
66c	Wassaic-Millerton
109/110	Newark-Marion
89a	DeKalb Junction-Ogdensburg
90	Emeryville-Edwards

The Interstate Commerce Commission's Rail Services Planning Office has promulgated standards for determining rail subsidies which will place the computation of any subsidies found unavoidable in a "problem solving" or "negotiation" atmosphere. Other railroads, community leaders, railroad labor organizations, and rail shippers and receivers have also stepped forward to do what they can to solve the branch line problem. It seems that only USRA retains an outdated attitude. They have failed to grasp that the branch lines are important to many people who are willing to work to save them, and pay profits to Conrail, if only given the opportunity. USRA has either overlooked or discounted this great potential.

New York State has responded to this potential by arranging the negotited solution program. This program recognizes that the future of threatened branch lines is in the hands of all the people most concerned with the rail service: the businessmen who use it; the local governments who tax it; and the railroaders whose job it is to provide the service and make a profit. The State government supports all parties with technical expertise, and public funds for track repair if necessary. This approach differs significantly from that followed in the past when the future of branch lines was placed in the hands of a few regulatory agencies, and decided through an adjudicatory process. The negotiated solution concept calls for a more diffuse process, a process that places responsibility with individuals rather than agencies. It has met with a great deal of success. It is unfortunate that such positive forces should be repelled by USRA.

Regardless, New York State intends to move forward in its program to preserve and enhance essential rail services. The State Legislature has authorized funds that can be used for operating subsidies in certain cases. The State's voters have approved a Rail Service Preservation Bond issue to provide capital to solve the critical problem of neglected trackage. And the State Department of Transportation continues to develop working relationships among concerned people from business, labor, farming and local government. All these factors place New York State in a strong position to overcome the roadblocks to progress continually thrown up by railroad planners in Washington.

II. CRITIQUE OF UNITED STATES RAILWAY ASSOCIATION'S LIGHT-DENSITY LINES STUDY PROCEDURE

We have seen how the basic philosophy underlying United States Railway Association's light-density line analyses is not a problem-solving one. This Chapter focuses on the study procedure itself. We have found that this procedure is faulty in concept, inaccurate in data base and procedure, and erroneous in methodology.

Concept

The Regional Rail Reorganization Act of 1973 set forth eight broad goals to direct the successful reorganization of bankrupt Northeast railroads. USRA correctly points out (on Page 12 of the Preliminary System Plan) that no one of these goals can be singled out to guide in the study of any one issue "such as each individual light-density line." Yet they proceed to evaluate the light-density line issue solely on the basis of one goal--the profitability of Conrail. USRA's methodology for evaluating light-density lines is confined to an appraisal of profitability, which clearly is a severe weakness in itself.

Moreover, USRA assigns a high value to only one of the seven social goals--206(a)(4) the preservation of service to coal fields. Page 340 of the Plan explains how unprofitable segments of light-density lines serving coal fields will be retained in the Plan to be operated on an "on demand" basis until capital investments are required and "rail banked" thereafter until the increased need for the service warrants reinvestment.

This is a fair treatment of this particular goal. However, the other socially oriented goals of the Act deserve equal treatment. Those goals that address rail transportation needs and service requirements of the region (Section (a)(2)) and the minimization of job losses (Section 206(a)(8)), for example, deserve the same kind of treatment that service to coal fields deserves. It is urged that essential although unprofitable segments of line needed to meet the other goals of the Act be identified for continued operation in much the same way as service for fossil fuel areas.

Moreover, the treatment of the problem of cross-subsidies--a major theme of the Report--causes concern. United States Railway Association has determined that there should not be any cross-subsidization of unprofitable but necessary services with excess profits from other services. Although the USRA determined the branch lines in New York State that they studied are profitable as a whole, they are recommending

exclusion of many miles of "unprofitable" line, while retaining many miles of line that earn excess profits. These uneconomic lines, USRA believes, should be subsidized directly, with state and federal funds. Under this approach, rail service on these lines would be threatened with abandonment in two-years, when the government subsidy program authorized by Congress expires.

If USRA is successful in eliminating cross-subsidies, the issue would arise of what to do with the excess rates of return on highly profitable segments. For example, the Suspension Bridge-Riverview segment of the Ontario Secondary Track (Segment No. 106) generates annual profits of more than $1.1 million on an investment base of only $125,000--annual rate of return of nearly 900%. Obviously, to avoid cross-subsidizing from this segment to the main-lines of Conrail, service should be increased or rates reduced to bring costs into line with the revenues. We doubt USRA is prepared to do this. Nevertheless, if cross-subsidies are to be rejected by USRA, users on each profitable segment may be entitled to improved services or rate reductions.

USRA's analysis falls short of the mark in regard to the variety of alternatives considered. In part this is due to the pressures of a tight schedule, but one area overlooked cannot be explained away so easily. That is the potential for a cooperative federal/state/local role in securing for Conrail profitable services that would otherwise receive subsidies for two years and then be abandoned. USRA has failed to consider that use of Title IV funds for track rehabilitation, rather than operating subsidy, would in many cases result in the stabilization of a profitable feeder worthy of inclusion in Conrail.

This potential for Title IV financing of track repair is significant in several ways. First, and most obvious, it would remove from Conrail the burden of debt for light-density line track repair. Second, improved track enables more efficient, less costly operations. One must delve into USRA's methodology to appreciate the significance of the latter factor (see page 349 of the Preliminary System Plan). USRA has stipulated in its light-density line analysis that branch line trackage would only be upgraded as necessary to reach Federal Railroad Administration Class I track safety standards. Class I track is suitable for train operations at speeds no greater than 10 miles per hour. USRA's stipulation to this effect was based on an analysis indicating that it would be less costly to Conrail to pursue such a policy than to rehabilitate trackage to higher standards (Class II: speed permissible under this standard is 25 miles per hour). But this makes sense only if it is assumed that capital for track repair must be a responsibility of Conrail. As noted above, such capital can be provided by Title IV. When the analysis is redone on this basis the advantages of this approach to Conrail becomes clear: financing of track repairs to Class II standards under Title IV would lower annual maintenance requirements by one-half, and would also lower such time-related costs as those for train crews and locomotives. Obviously this makes a difference in the viability of a given line. We have quantified the significance of this potential in Chapter III for New York State light-density lines.

Inaccuracies in the Date Base and Analytical Procedure

USRA followed a three-stage procedure in formulating its recommendations for each light-density line: data collection, computer analysis, and manual follow-up analysis. We find problems in each area.

In the data collection effort USRA relied almost entirely on the railroads as a source of information (in New York State these are Penn Central, Lehigh Valley, Lehigh and Hudson River). For each line "under detailed study," the railroad completed two detailed questionnaires: one relating to the physical and service characteristics of the line; and one relating to the characteristics of the patrons along the line. In addition, a list of patrons was developed for each line and the railroads provided data on the traffic handled on each line for the year 1973. Copies of most of these data items have been provided to the State Department of Transportation. USRA also used data of various kinds, obtained through the Rail Services Planning Office March, 1974 public hearings and other sources.

It is clear that USRA did not use all the information at their disposal, because New York State studies and data transmitted to USRA throughout the planning process are not always reflected in USRA's work. The information that USRA did use is in many cases erroneous or imcomplete, or does not reflect significant changes in circumstances that materially alter the conclusions concerning certain lines studied. Many such data problems have been identified and brought to USRA's attention.

Table 2 lists the four basic elements of data used by USRA with a review of accuracy by the State. The extent of data problems is quite surprising and it is therefore no surprise that many of USRA's recommendations are incorrect.

The second, computer analysis phase resulted in five pages of printout information for each line evaluated. Copies of most of this material have been received by the State.

No details on the third or manual analysis stage of USRA's analysis have been provided to the State. It is clear that "adjustments" were made for some lines during this stage since the cost and revenues figures printed in the Preliminary System Plan do not always match those produced by the computer analyses. These discrepancies should be explained to assure the public that the "adjustments" that have been made are legitimate. USRA formulated recommendations based on the analyses produced from this third stage.

Just after the Plan was made public the Department published a report "Errors in the United States Railway Association Analyses of Light-Density Lines in New York State." This Report describes errors in over forty segments evaluated by USRA. Since that time even more errors have been brought to the Department's attention. Suggestions for revision of the analysis of each line are enumerated in the following Chapter.

TABLE 2, Part I

NEW YORK STATE'S APPRAISAL
OF DATA DEVELOPED BY USRA

USRA Code No./ Termini	1973 Traffic Data	Line Physical And Service Characteristics	Patron Characteristics	List Of Patrons
66 Mt. Kisco-Brewster	Changes	Errors	Errors	Correct
66a Brewster-Dover Plains	Correct	Errors	Errors	Correct
66b Dover Plains-Wassaic	Correct	Errors	Errors	Correct
66c Wassaic-Millerton	Errors	Correct	Errors	Correct
67 Millerton-Ghent	Correct	Correct	Correct	Correct
68 Bay Ridge at Bay Ridge	Errors	Incomplete	Correct	Incomplete
70 Hudson-Claverack	Correct	Correct	Changes	Correct
72 Schenectady-Acqueduct	Incomplete	Incomplete	Incomplete	Incomplete
76 Selkirk-Port of Albany	Correct	Correct	Correct	Correct
79 Boonville-Lyons Falls	Correct	Correct	Correct	Correct
80 Camden-McConnellsville	Correct	Correct	Correct	Correct
81 Rotterdam Jct.-South Fort Plain	Errors	Correct	Changes	Correct
83a South Utica-N.Y. Mills	Errors	Correct	Errors	Incomplete
84 New York Mills-End of Track	Incomplete	Correct	Correct	Incomplete
85 Oneida Castle-Vernon	Correct	Correct	Correct	Correct
86 East Syracuse-Fayetteville	Errors	Correct	Errors	Correct
87 Malone-Canadian Border	Correct	Correct	Incomplete	Incomplete
89a DeKalb Junction-Ogdensburg	Correct	Correct	Errors	Errors
90 Emeryville-Edwards	Correct	Correct	Correct	Correct
92/ Watertown-93 Limerick	Errors	Errors	Changes	Errors
95 Cayuga-Auburn	Correct	Errors	Correct	Correct
96 Brighton-Pittsford	Correct	Correct	Correct	Correct
98 Canadaigua-Victor	Errors	Correct	Correct	Correct
100/ Akron Junction-101 Transit Road	Correct	Correct	Correct	Correct
102 Williamson-Oswego	Correct	Correct	Correct	Correct
102a Oswego-Scriba	Incomplete	Correct	Incomplete	Correct
103/ Williamson-104 Windsor Beach	Incomplete	Correct	Correct	Correct
105/ Charlotte-107 Riverview	Correct	Correct	Correct	Correct
106 Suspension Bridge-Riverview	Correct	Correct	Incomplete	Correct
108 Newark-Sodus Point	Changes	Correct	Correct	Correct
109/ Newark-110 Marion	Changes	Correct	Correct	Correct
111 Windsor Beach-Rochester	Errors	Correct	Correct	Correct
112 Batavia-G&W Junction	Correct	Correct	Correct	Correct

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TABLE 2, Part II

NEW YORK STATE'S APPRAISAL
OF DATA DEVELOPED BY USRA

USRA Code No./ Termini	1973 Traffic Data	Line Physical And Service Characteristics	Patron Characteristics	List Of Patrons
136 Kingston-Montgomery	Correct	Correct	Correct	Correct
114a Rochester-Scottsville Yard	Incomplete	Correct	Incomplete	Correct
137 Kingston-Bloomville	Errors	Correct	Changes	Correct
230a Southport-Elmira	Changes	Incomplete	Incomplete	Correct
231 Horseheads-Watkins Glen	Incomplete	Changes	Correct	Correct
231a Elmira-Horseheads	Incomplete	Errors	Correct	Correct
231b Watkins Glen-Starkey	Incomplete	Correct	Incomplete	Correct
233/ Seneca Castle-	Errors	Correct	Correct	Correct
234 Penn Yan				
238 Canandaigua Track at Stanley	Incomplete	Correct	Correct	Correct
246 16th Street Track at Olean	Incomplete	Correct	Correct	Correct
246 Brocton-Mayville	Incomplete	Errors	Incomplete	Correct
249 Mayville-Corry, Pa.	Correct	Correct	Changes	Correct
258 Dunkirk-Fredonia	Incomplete	Correct	Correct	Correct
666 Rensselear-Troy	Incomplete	Correct	Changes	Correct
666a Green Island-Crescent	Incomplete	Incomplete	Correct	Correct
667 Campbell Hall-Highland	Incomplete	Incomplete	Correct	Correct
668 Highland-Poughkeepsie	Incomplete	Incomplete	Correct	Correct
669 Utica-Bloomville	Incomplete	Correct	Correct	Correct
670 McConnellsville-Rome	Incomplete	Correct	Changes	Changes
671 Cayuga-Geneva	Errors	Correct	Correct	Correct
681 Spuyten Duyvil-Bank Street	Incomplete	Incomplete	Incomplete	Incomplete
686 Oneida Castle-Canastota	Incomplete	Correct	Correct	Correct
687 Lowville-Carthage	Incomplete	Correct	Correct	Correct
708 Poughkeepsie-Hopewell Junction	Incomplete	Correct	Correct	Correct
1000 Rochester Junction-Lima	Correct	Correct	Correct	Correct
1002 East Ithaca-Cortland	Errors	Correct	Errors	Correct
1003 Owego-Mead	Correct	Correct	Co-rect	Correct
1015 Sayre, Pa.-Owego	Incomplete	Correct	Incomplete	Incomplete
1016 Sayre, Pa.-VanEtten Junction	Incomplete	Correct	Incomplete	Correct
1017 VanEtten Junction-Ithaca	Incomplete	Correct	Correct	Correct
1020 VanEtten Junction-Geneva Junction	Incomplete	Correct	Correct	Correct
1021 Geneva Junction-Geneva	Incomplete	Correct	Incomplete	Incomplete
1022 Geneva-Rochester Junction	Incomplete	Correct	Correct	Correct

TABLE 2, Part III

NEW YORK STATE'S APPRAISAL
OF DATA DEVELOPED BY USRA

USRA Code No./ Termini	1973 Traffic Data	Line Physical And Service Characteristics	Patron Characteristics	List Of Patrons
1023 P&L Junction-Batavia	Incomplete	Incomplete	Correct	Correct
1024 Buffalo-Batavia	Incomplete	Correct	Incomplete	Incorrect
1025 Rochester Junction-P&L Junction	Incomplete	Incomplete	Incomplete	Incomplete
1700 Maybrook-Warwick	Incomplete	Correct	Incomplete	Incomplete
101A Black Rock,N.Y.-Welland, Ont.	Incomplete	Incomplete	Incomplete	Correct
117 Long Island City N.Y.-Greenville, N.J.	Incomplete	Incomplete	Incomplete	Incomplete
709 Kingston, N.Y.-Little Ferry, N.J.	Incomplete	Incomplete	Incomplete	Incomplete
1701 Warwick, N.Y.-Belvidere, N.J.	Incomplete	Correct	Incomplete	Incomplete
260 Falconer-North Warren	Correct	Incomplete	Incomplete	Correct
73/ 74 Schenectady-Hoffmans and Carman-Schenectady	Incomplete	Errors	Errors	Incomplete
77 Herkimer-Poland	Changes	Correct	Correct	Incomplete
95 Carthage Branch at Watertown	Incomplete	Incomplete	Incomplete	Incomplete
136a Campbell Hall-Montgomery (EL trackage rights)	Incomplete	Incomplete	Incomplete	Incomplete
232 Penn Yan-Dresden	Incomplete	Incomplete	Incomplete	Incomplete
245 Olean-Alleghany	Complete	Complete	Complete	Complete
669 Buffalo-Black Rock (EL trackage Rights)	Incomplete	Incomplete	Incomplete	Incomplete
1001 Geneva-Rushville	Correct	Correct	Changes	Correct

Methodology

The documentation given in the Preliminary System Plan for the methods used to evaluate branch line profitability is sketchy at best. The states in the Region had urged that full justification be published, only to find that the Preliminary System Plan, while detailed, carries no justification for some of the more bold assumptions employed. This means that USRA may have performed a faulty analysis--one which would not stand up in any scientific community, and deserving rejection by the public and the Congress.

In brief, USRA's methodology may be described as follows: All revenues that would accrue to Conrail from traffic originating or terminating on a given light-density line are attributed to that line. From this amount there are then deducted estimates of two types of cost borne by Conrail in producing service for the line in question: costs incurred on the branch for maintenance, operation, track repair, supervision and taxes; and the "off-branch" costs incurred elsewhere on the Conrail system as a consequence of hauling and switching the cars on their way to and from the line in question.

The single most important criticism of USRA's methodology relates to the methods and assumptions used to estimate off-branch costs. On the average, this one category of cost accounts for about one-half of the total costs estimated for lines in New York State. Error in the estimation of off-branch costs clearly would have a substantial impact on the determination of viability for each line. We believe that extreme errors probably have been made, due to flaws in the justification given for the procedures used to estimate off-branch costs.

The justification for these procedures that is given in the Plan is wholly inadequate. As a consequence New York State requested, and obtained from USRA the draft documentation for USRA's costing procedures. This draft report (entitled Cost Development Procedures Manual) answers many questions but raises even more.

The "Conference of States on Regional Rail Reorganization," which represents all 17-States in the Region, unanimously approved a resolution on the subject of off-branch costs in November, 1974. The resolution reads, in part:

> "The...methodology (employed by USRA) allocates a very substantial amount of overhead (system) costs to a branch line (on an average cost basis). There is wide disagreement between the state viewpoint and the USRA staff viewpoint on this particular cost element. While it is impossible to trace off-branch costs for each individual branch line within the time allowed, the states insist that a detailed demonstration of the precise off-branch costs of a test series of branch lines should be made. Detailed documentation of the nature (and avoidability) of off-branch costs in these pilot tests, should settle the conflict in perspectives about the scale of the off-branch costs. In addition, the present treatment of off-branch costs in the ... methodology is extremely unclear."

USRA never responded to this incisive resolution.[1] Moreover, neither the Preliminary System Plan nor the Costing Procedures Manual give justification for the assumptions USRA has made: that the elimination of light-density line traffic contemplated by USRA would produce significant savings in off-branch costs; that these cost savings could be accurately estimated using average variable unit costs.

With regard to the first point, USRA argues that the 1 million carloads generated[2] annually on the 10,000 miles of line subjected to their detailed study "obviously" require more plant, equipment and labor than would be necessary if this traffic were not served. This may be true, but USRA proposes to serve 75% of this traffic, leaving only 250,000 cars (about 4.5% of total Conrail traffic) that could be eliminated from the system's annual traffic volume. This amounts to just 685 cars per day, or a few extra cars each day on the many trains running on the entire Conrail system. Conrail would handle in total 42,000 carloads daily. USRA should explain exactly which yard, main-line and system overhead expenses are variable with 685, of 42,000 daily cars, eliminated. USRA ought to answer this question conclusively, before proceeding to use average system unit costs rather than direct, avoidable costs to justify branch line abandonments and "prove" their unsupported assumptions.

Not only does USRA fail to justify the use of average variable system unit costs for their estimates of off-branch costs, they also rely on a procedure to obtain these average unit costs that is known to be questionable (see page 351 of the Preliminary System Plan). This procedure, which was developed by the Interstate Commerce Commission, is known as "Rail Form A." USRA admits that Rail Form A has been the subject of substantive criticism. Yet they blithely proceed to overlook this shortcoming and rely on Form A completely. In essence, USRA has used a questionable procedure on the strength of questionable assumptions. It is only natural that this would have produced questionable results.

The methodology is weak on numerous other counts:

--it is claimed that on-branch overhead costs should include transportation and maintenance of way supervision and clerical support. It is extremely doubtful that any trainmasters, track engineers or system accountants will be eliminated if the branch lines in question are eliminated.

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[1] The states were told that the USRA Operations Planning staff were tracing the off-branch costs for a large set of branch lines. The results of this analysis were never published. What do they show?

[2] This one million carload level is, in itself, an inaccurate number; it includes traffic on many segments (such as LV at Buffalo and the West Side line in Manhattan) that were never plausible candidates for abandonment. Obviously, by "loading up" the traffic "under study," USRA could justify using average costs for light-density branch lines. This should not go unchallenged. Adding heavy-density segments to the light-density lines is one way to falsify the analysis and bend it to prove anything.

--it is felt that a rate of return on net salvage value of light-density lines of 8.3% is required when Conrail as a whole is not expected to average a rate of return as high as this. This is a cross-subsidy from the light-density lines to the main-line system.

--the unit values for scrap materials are based on the average scrap prices reached during 1973; it is estimated that prices have already dropped considerably from the levels of 1973 (which was a tight scrap market year). Moreover, once Conrail's main-line tracks are rehabilitated or abandoned, the scrap materials generated are anticipated to greatly depress unit scrap values for branch line materials.

Summary

The USRA light-density line study procedure is not satisfactory in concept - in that it does not properly treat all goals of the Act and treats them inconsistently, is inaccurate in data base - in that virtually every branch line segment has errors in either traffic, segmentation, or fails to reflect potential takeovers by connecting carriers, and has substantial methodological errors - especially in regard to off-branch costs.

USRA should repeat its light-density line analysis after making appropriate corrections and adjustments in their methodology. Although New York State's offer of substantive assistance in this has been ignored by USRA in the past, we will continue our efforts to assist the Association produce a correct analysis - one that can stand the test of public scrutiny.

ERRATA SHEET

III. SOLVING THE BRANCH LINE PROBLEM

This chapter explains how the branch line problem can be solved. In it, the branch lines are addressed in the same broad categories developed by United States Railway Association:

--lines recommended for inclusion in CONRAIL

--lines recommended for more detailed study

--lines recommended for exclusion from CONRAIL ("available for subsidy")

We find problems in each group that must be addressed constructively to assure preservation and enhancement of essential service and CONRAIL profitability.

Lines Recommended for Inclusion in CONRAIL

United States Railway Association has determined that there should not be any cross-subsidization of unprofitable but necessary services with excess profits from other services. Although United States Railway Association found that the branch lines they studied in New York State are profitable as a whole, they recommend exclusion of many miles of "unprofitable" line, while retaining many miles of line that earn excess profits (see Table 3). In other words, United States Railway Association is implementing a no cross-subsidy policy at one end of the scale but not at the other end. To be consistent, United States Railway Association must make recommendations as to the service and/or rate adjustments to be made on rail lines for which excess rates-of-return have been identified, in order to bring costs and revenues into reasonable balance. Table 4 lists the lines recommended for inclusion in CONRAIL which have overly high rates of return.

Table 3

Summary of USRA Recommendations
For New York State Light-Density Lines

	Miles of Track		Carloads		
	Total	%	Total	%	Net Profit/(Loss)
Lines Recommended for Further Study	137.4	11.3	23,889	26.6	$ 2,002,532[1]
Lines Recommended for CONRAIL	344.0	28.2	42,158	46.9	4,197,216
Lines Not Recommended for CONRAIL	738.8	60.5	23,889	26.5	(5,535,154)
TOTALS	1,220.2	100.0	89,936	100.0	$ 664,594

NOTE: 1. Includes over $2,000,000 in profit from segment 1024. Most of the shippers generating traffic on this segment apparently will be served by CONRAIL, but further study is needed to define alternate service arrangements.

Table 4

Lines recommended for inclusion in CONRAIL having excessive rates of return.

Line	Description	Net Contribution[1] ($)	Net Salvage[1] ($)	Rate of Return (%)
106	Suspension Bridge-Riverview	1,138,245	127,296	894
76	Selkirk-Port of Albany	1,485,701	255,536	581
112	Batavia-G&W Junction	676,611	379,528	178
258	Dunkirk-Fredonia	133,148	111,830	119
102A	Oswego-Scriba	57,703	66,441	87
666	Rensselaer-Troy	95,876	170,277	56
72	Schenectady-Aqueduct	34,819	110,555	31
96	Brighton-Pittsford	20,266	143,247	14
66B	Dover Plains-Wassaic	19,478	142,366	14

[1]From the Preliminary System Plan.

Certain other lines recommended for inclusion in the CONRAIL system may not be properly stabilized since USRA apparently assumed that light-density lines will be operated at speeds of 10 miles per hour (USRA is not explicit as to recommendations for track). It may be desirable to invest Title IV funds in these facilities if needed to enhance and stablize services for the long-term, particularly in the case of lengthy lines. By changes in legislation, these Title IV funds could be made available directly to CONRAIL.

Title IV financial role in this regard can be identified for the following:

76/669	Utica-Lyons Falls
687	Carthage-Lowville

It may also be necessary to finance upgrading to higher standards in the case of the following lines, for which rate-of-return information is not provided in the Preliminary System Plan:

1016/1017	Pa./N.Y. state line (near Sayre, Pa.)-Ludlowville
681	Spuyten Duyvil-Bank Street

Lines Recommended for Further Study

Certain light-density lines in New York State have been recommended by USRA for further study, particularly in regard to exploring the potential for immediate increases in revenue. This section describes the corrective actions USRA should take to assure that essential rail services are maintained on these lines.

98 Auburn Branch: (Canandaigua-Victor)

The following factors should be taken into consideration when USRA re-evaluates this segment:

(1) USRA has properly concluded that the Lehigh Valley local service to Victor should not be a part of CONRAIL. Existing Lehigh Valley customers at Victor would probably utilize the rail service also provided to Victor via the Auburn Branch; this potential traffic source should figure in the re-evaluation. Traffic from these patrons amounted to 200 cars in 1972 (most recent data available).

LV Patron	1972 Carloads
Iron City Sash & Door	41
Victor Lumber	100
Victor Farm Center	51
Victor Coal & Lumber	8
TOTAL	200

(2) Georgia Pacific has advised the Department of its plans to locate a new facility on this line; property has been purchased for this purpose in Victor. Projected usage of the railroad is 1,005 carloads annually.

With these two factors taken into account, there will be 1,444 cars for 8.5 miles of line for an average traffic density of 170 cars/mile, which should be sufficient for inclusion in CONRAIL.

102 Ontario Secondary Track: (Williamson-Oswego)

The primary reason for placing this line in the "further study" category appears to be the potential for construction of nuclear and/or coal-fired power generation stations at Sterling. The utilities have identified the most desirable route to serve this site as Newark-Wallington-Sterling (see map). On this basis, new connections would be needed at Wallington.



USRA should re-evaluate service on segments 102, 103, and 104 based on the assumption of Newark as the serving yard, and the following segmentation:

(a) Wallington-Webster

(b) Wallington-Sterling

(c) Sterling-Oswego

If service to Wallington were assured due to the generation station plans, there would be a high potential for a negotiated solution on the Wallington-Webster segment. The western terminus of this segment should be Webster rather than Williamson. It may not be feasible to preserve service to Webster from the west under any circumstances due to the desirability (from economic and environmental standpoint) of eliminating the railroad bridge over Irondequoit Bay. Xerox Corporation at Webster projects that traffic will increase over the next eight years from the current level of about 100 carloads to 700 carloads annually.

Under current conditions, traffic on the 22.8-mile segment between Wallington and Webster would total 1,002 carloads annually (figures from the Preliminary System Plan) for a traffic density of 44 cars per mile. With the growth in Xerox traffic this would increase to 80 carloads per mile. This situation definitely has negotiated solution potential that should be explored.

The future of the Wallington-Sterling segment depends on plans for serving the Sterling site. If the line is not needed for this purpose, the negotiated solution potential would not be great since traffic on the 22.2-mile line would amount to 641 carloads for a traffic density of 29 carloads per mile.

Oswego-Sterling ought to be evaluated as an alternate means of serving the Sterling site. If that proves unworkable then the negotiated solution potential should be explored, but it is extremely doubtful that a negotiated solution would be feasible since there are only 136 carloads on the 13.6-mile segment for a traffic density of only 10 cars per mile.

It is especially important to note that the Ontario Secondary Track serves the prime fossil fuel steam power generating station area of the State--the Lake Ontario Shore. This is an enormous growth potential that should be recognized by USRA. CONRAIL should treat the entire Ontario Secondary in exactly the same manner as fossil fuel mining lines are in other states. They should be operated on an on-demand basis until major capital investment is needed and "rail-banked" thereafter until power generating stations are built.

108 Sodus Bay Secondary: (Newark-Sodus Point)

USRA has correctly identified this segment for future study on at least two counts: the potential for use of the Newark-Wallington link as part of the route to serve the Sterling power plant site, and the traffic growth potential exhibited by Genesee Brewing Company at Sodus Point.

If the four mile Newark-Wallington link is to be retained to serve the Sterling site, inclusion of the Wallington-Sodus Point link in the Final System Plan will easily be justified on a profitability basis as Genesee projects traffic of about 750 carloads per year: traffic density would be 187 cars per mile. If the Sterling site is not to be served via Wallington, traffic density would be based on 750 cars on the 14.5-mile Newark-Sodus Point line: 52 cars per mile, which represents potential for a negotiated solution that would have to be explored.

248 Chautauqua Branch: (Brocton-Mayville)

This line has been identified for further study apparently to give detailed consideration to the need for this segment and segment No. 249 as a route for coal shipments destined to a coal-fired power generation station planned to be built at Dunkirk. This is of course desireable, but should this coal route be found unnecessary, additional efforts will be necessary to assure essential service preservation.

In addition, the negotiated solution potential for the segment should be explored: there are 595 carloads at Mayville, 14 at Brocton, on the 14-mile line, for a traffic density of 44 cars per mile.

666a Crescent: (Green Island-Crescent)

This branch should be re-evaluated by USRA assuming operation by Delaware and Hudson. Service provided by the Delaware and Hudson would allow elimination of the Penn Central trackage rights agreement and provide direct access to this branch along the Hudson River, thereby eliminating the circuity of serving this branch from Selkirk and West Albany yards.

1000 Rochester Branch: (Rochester Junction-Rochester)
and
(Rochester Junction-Lima)

The Department recommends that USRA re-evaluate this line based on the revenue CONRAIL or Erie Lackawanna would receive for its long haul operations. Revenues shown by USRA are unfairly low as it is not intended that Lehigh Valley continue operations. The branch should be assigned to the carrier deriving the greatest haul (revenue).

1024 Buffalo to Jersey City Line: (Buffalo-Batavia)

If USRA assures continued rail service on the Lehigh Valley branch between Depew and Williamsville, New York Department of Transportation concludes that rail service on the Lehigh Valley main-line between Buffalo and Batavia is not warranted.

Lines Not Recommended for Inclusion in CONRAIL

In New York State many lines were recommended not to be included in CONRAIL, and placed in the category "available for subisdy." New York State finds this sweeping of the problem into the public sector to be premature. As noted in Chapter II, USRA failed to address the potential for negotiated solutions involving state, shipper and labor roles. New York State has expressed its intention to finance track repairs where necessary to have essential services included in the Final System Plan. Railroad labor and shippers have expressed a willingness to build on this state effort in a spirit of cooperation.

Table 5 quantifies, for the lines not recommended for inclusion in CONRAIL, the impact of state, labor and shipper rates in negotiated solutions. This table is a first-cut at defining solutions to these problem lines. As can be seen from the table, many errors in the USRA analysis have prevented identification of negotiated solution potential. However, correction of these errors may render negotiated solutions unnecessary. The corrective actions USRA must take to assure a thorough effort to preserve essential and profitable services are detailed on the following pages.

66, 66c, 67 Harlem Division: (Mt. Kisco-Brewster)
(Wassaic-Millerton)
(Millerton-Ghent)

Due to clearance problems on the movement of high and wide loads for Tri-Wall Containers at Wassaic; and for Grand Union, New York State Gas & Electric and Consolidated Edison at various locations in Westchester County below Mt. Kisco, service from the north is essential

TABLE 5
NEGOTIATED SOLUTION POTENTIAL
LINES NOT RECOMMENDED BY USRA FOR INCLUSION IN CONRAIL*

	Line Description	USRA Estimated Profit (Loss)	STATE ROLE Profit (Loss) If Track Repaired To Class II Stds[1]	LABOR ROLE Profit (Loss) If 3-Main Crews Used	LABOR ROLE Other Labor Role[2]	SHIPPER ROLE[3] Additional Carloads Needed	SHIPPER ROLE[3] or Carload Surcharge Needed
66	Mt. Kisco-Brewster[4]	--USRA Analysis Error - Negotiated Solution Need Unclear --					
66c	Wassaic-Millerton	($101,878)	($56,481)	($56,481)[7]	T	174	108
67	Millerton Ghent	(247,775)	(145,264)	(145,264)[7]	T	381	1936
68	At Bay Ridge[4]	--USRA Analysis Error - Negotiated Solution Need Unclear --					
80	Camden-McConnellsville	(45,526)	(21,533)	(19,889)	T	55	114
81	Rotterdam Jct. - So. Fort Plain[5]	(292,002)	(98,759)	(87,595)	T	2345	54
83a	South Utica-N.Y. Mills	(11,924)	(3,841)	(3,144)	T	9	17
84	At New York Mills	NA	NA	NA		NA	NA
85	Oneida Castle-Vernon	(41,816)	(19,604)	(17,474)		43	48
86	E. Syracuse-Fayetteville	(31,539)	(13,293)	(12,773)		34	115
87	Malone-Canadian Border	(92,318)	(39,343)	(34,487)		78	71
89a	DeKalb Jct.-Ogdensburg	(163,020)	(93,554)	(93,554)[7]		289	40
90	Emeryville-Edwards[4]	--USRA Analysis Error - Negotiated Solution Need Unclear --					
92/93	Watertown-Limerick[4]	--USRA Analysis Error - Negotiated Solution Need Unclear --					
95	Cayuga-Auburn[4]	--USRA Analysis Error - Negotiated Solution Need Unclear --					
100/101	Akron Jct.-Transit Rd.	(113,914)	(12,430)	17,077		None	None
103/104	Williamson-Windsor Beach	(236,258)	(109,315)	(103,611)		310	309
105/107	Charlotte-Riverview	(700,635)	(196,707)	(177,385)	T	329	163
109/110	Newark-Marion	(138,586)	(13,032)	(7,475)	T	18	15
111	Windsor Beach-Rochester	--USRA Analysis Error - Negotiated Solution Need Unclear --					
114a	Rochester-Scottsville Yard	--USRA Analysis Error - Negotiated Solution Need Unclear --					
137	Kingston-Bloomsville	(868,446)	(452,652)	(420,605)		887	496
230a	Southport-Elmira	NA	NA	NA		NA	NA
231a	Elmira-Horseheads	NA	NA	NA		NA	NA
231b	Watkins Glen-Starkey[4]	--USRA Analysis Error - Negotiated Solution Need Unclear --					
233/234	Seneca Castle-Penn Yan	(136,104)	(55,143)	(30,491)	T	100	90
238	Canandaigua Track at Stanley	12,999	16,197	16,552	T	None	None
246	16th St. Track at Olean	241,845	254,591	254,785		None	None
670	Rome-McConnellsville	NA	NA	NA	T	NA	NA
671	Geneva-Cayuga[4]	--USRA Analysis Error - Negotiated Solution Need Unclear --					
260	Falconer-N. Warren PA	(206,519)	(79,768)	(77,179)	T	241	182
249	Mayville-Corry Pa.	(230,303)	(133,012)	(127,425)	T	473	126

*Unfortunately, this table could not be completed since USRA has not yet furnished to the State the computer analysis printouts for the following lines: 84, 230a, 231a, 670, 1000, 1002, 1003, 1015, 1020, 1021, 1022, 1023, 1025, 101a, 117, 73/74, 77, 95, 136a, 232, 245, 669, and 1001.

NOTES

1. Financed through title IV funds.
2. "T" indicates an additional labor role might be developed in terms of home terminal assignment transfers or work consolidation.
3. For a profitable operation, additional traffic or a carload surcharge may be adequate.
4. USRA's analysis of this segment is in error and must be corrected before the need to evaluate negotiated solution potential can be ascertained. Details as to the nature of the errors can be found in the text of Chapter 3.
5. The extra carloads needed may already be available: USRA neglected to account for about 1500 carloads of company material originating at South Amsterdam. The need for this source of ballast for ConRail should be specifically addressed.
6. NA - Not Available
7. Now a three man crew, therefore no crew savings likely.

as there is no excessive dimension route from the south. The Mt. Kisco-Brewster segment is absolutely essential if service is to be maintained to major customers in Westchester County who require oversize cars. In effect these cars are "overhead" to the Mt. Kisco-Brewster segment. Additionally, no connection exists at the present time between the Maybrook and Harlem lines as reported in the Plan. However, the Department believes that a new connection between these lines should be built north of Brewster in the vicinity of Dykemans, to provide an efficient excessive dimension route for all users. New York Department of Transportation recommends that USRA re-evaluate the Wassaic-Millerton segment to account for the traffic generated by Agway, which is located at Sharon. In 1973 Agway received 248 carloads. This added traffic is sufficient to make this segment profitable using the USRA viability criteria. The Department concludes that if the proposed connection at Dykemans between the Harlem line and the Maybrook Branch is built and a new high-and-wide loads routing for excessive dimension traffic is opened, the need for the Millerton-Ghent segment is greatly reduced. The Department will explore the potential of a negotiated solution, but as no interest has been evidenced in this so far, there is little promise of success.

68 Bay Ridge: (At Bay Ridge)
and
117 New York Harbor: (Float Operation)

USRA evaluated segment 68 improperly. Re-evaluation is needed to account for the 187 carloads generated annually by the G&R Packing Company. The added carloads will most likely be sufficient to make this line viable. Moreover, there are major industrial development programs underway on this segment which should greatly enhance profitability.

The proposed $43 per car surcharge to be imposed on the harbor terminal railroads causes grave concern for the Department. No proper traffic study has been conducted to determine surcharges for this operation. The Department concludes that it is precipitous to consider any surcharge prior to a complete study of the revenues and cost for the New York lighterage terminal operations.

80/670 Camden Secondary: (Camden-Rome)

The Department recommends that this segment be evaluated as a whole from Rome to Camden. If it is determined that the entire line is not viable, New York Department of Transportation believes that this line has a high potential for a negotiated solution. Moreover, the mile-post limits set forth in the USRA Preliminary System Plan excludes from the Plan service to several rail users in the West Rome Industrial

Park. Carl's Drugs and Rite-Aid Distribution Center located in this Park in 1973 and are located on the segment recommended for exclusion from CONRAIL. These firms generated 148 cars in 1974 and estimate traffic to increase to 250 cars in 1975. Fleetwood Industries, which has its own private siding, recently located in the Industrial Park in 1974, and will be operational by April, 1975. The added traffic generated by these rail users is sufficient to correct the milepost limits to include all of Rome in the Plan and reduce the mileage of the Rome-Camden segment. This will further enhance the negotiated solution potential of this segment.

81 West Shore: (Rotterdam Junction-South Fort Plain)

After USRA re-evaluates this segment to include the 1,600 carloads missed at South Amsterdam (consisting of stone ballast for the Penn Central), the Department concludes this segment will most likely be profitable based on USRA viability criteria. Should it still fail to be profitable, a negotiated solution will be easy to accomplish.

83a West Shore: (South Utica-New York Mills)

This line must be re-evaluated by USRA (1) using the correct level of traffic--199 carloads--instead of the 176 reported and (2) providing for operation of this branch by the Erie Lackawanna (or its successor).

85 Vernon Industrial: (Oneida Castle-Vernon)

This segment has a very high negotiated solution potential that should be explored.

86 Fayetteville: (East Syracuse-Fayetteville)

New York Department of Transportation recommends that USRA re-evaluate this segment since the carload data from the Penn Central DICCS Report for this line shows that the Fayetteville Station generated 215 carloads. The Plan reports only 111 carloads at Fayetteville. Should this segment still fail to be profitable, a negotiated solution for this line is feasible.

87 Malone Secondary: (Malone-Canadian Border)

A negotiated solution is feasible for this segment.

89a Ogdensburg Secondary: (DeKalb Junction-Ogdensburg)

Major patron characteristic errors were detected in the data used by USRA. For example, the Standard Shade Roller Corporation, located at Ogdensburg, was shown by USRA as an occassional rail user when, in fact, this patron generated 154 carloads in 1973. This line must be re-evaluated. If it is still shown to be unprofitable, a negotiated solution will be completed.

90 G&O Secondary Track: (Emeryville-Edwards)

The traffic on this line is handled in conjunction with unit-train service from Emeryville and it is likely that USRA's evaluation is inaccurate in regard to off-branch costs. It is our understanding that the traffic from the Emeryville-Edwards segment is joined with and moves in unit trains from the Adirondacks to destination. As these unit trains will remain regardless of the future of the Edwards spur no gross-ton-mile or intermediate or other switching charges should be applied. The Department concludes that re-evaluation is necessary to account for the special circumstances here.

92/93 Limerick Industrial: (Watertown-Limerick)

Pargas Inc., which receives high-valued shipments, is the only customer on the line. This patron is located 1.1 miles from Watertown. Proper evaluation of this segment would show this service to be profitable.

95/671 Auburn Branch: (Cayuga-Geneva) (Cayuga-Auburn)

The Department recommends that USRA re-evaluate these segments to correct errors in carloadings. The correct volume for Cayuga is 1,609 carloads not 773 as reported in the Plan. It appears that all Lehigh Valley customers at Cayuga and Auburn are not included. While Auburn is identified for continued service, existing Lehigh Valley sidings at Auburn apparently are not sufficiently strong to support the larger Penn Central locomotives; this problem should be addressed by USRA.

Once data errors are corrected it is clear that the Geneva-Cayuga segment will be profitable. As the Auburn Road as a whole (Solvay-Geneva) generates over 7,000 carloads on its 48 mile length, the Department feels it is unwise to abandon the middle-9-mile Cayuga-Auburn segment. Abandoning the middle of this line introduces operating inefficiencies and inflexibilities and saves little operating expense.

100/101 Transit Road: (Akron Junction-Transit)

A negotiated solution is feasible for this segment.

103/104 Ontario Secondary Track: (Williamson-Windsor Beach)
and
105/107 Ontario Secondary Track: (Charlotte-Riverview)

The Department recommends that USRA re-evaluate the Williamson-Webster segment of the Ontario Secondary Track (a part of segments 103/104) to account for the projected increase of 800 carloads of traffic generated by Xerox at Webster. See the previous section of this Chapter (segment 102).

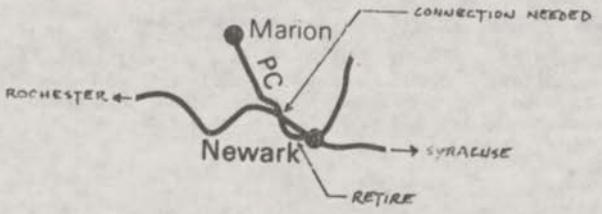
USRA should re-evaluate the following segments of the 77-mile Charlotte-Riverview line:

1.	Riverview-Wilson (including replacement of 0.6 miles of track)	337 carloads	15 miles
2.	Charlotte-Hamlin	615 carloads	16 miles
3.	Hamlin-Lyndonville	81 carloads	24 miles
4.	Wilson-Lyndonville	98 carlaods	23 miles

Most of this traffic has especially high revenue per carload. With proper analysis of this line, New York Department of Transportation concludes that parts of this line will most likely be found profitable, and that those segments that are not viable have negotiated solution potential. It is especially important to note that the Ontario Secondary Tract serves the prime fossil fuel steam power generating station area of the State--the Lake Ontario Shore, This is an enormous growth potential that should be recognized by USRA. CONRAIL should treat the entire Ontario Secondary in exactly the same manner as fossil fuel mining lines are in other states. They should be operated on an on-demand basis until major capital investment is needed and "rail-banked" thereafter until power generating stations are built.

109/110 Marion Industrial Track: (Newark-Marion)

This line should be re-evaluated as a spur from the point where the Penn Central main-line is crossed, west of Newark to Marion. As Penn Central suggested, a connection can be installed on property owned by the Railroad to connect with the main-line, thereby allowing abandonment of the eastern 2-miles of the branch. This 2-mile segment is the most costly to maintain and contains weight restrictions that prevent users at Marion from fully exploiting their rail service. Moreover, in 1974 this line experienced a 10% increase in traffic. In all, this line would show a 78-carload per mile density if properly evaluated. New York State Department of Transportation concludes that if this line is still found to be unprofitable, it has high "negotiated solution" potential.



111 Rochester Running Track: (Windsor Beach-Rochester)

USRA has understated carload traffic at the Rochester station by 2,900 cars (coal traffic moving to the Beebee Station of Rochester Gas & Electric). The Department concludes that after USRA re-evaluates this segment that this line will be found viable. Even so, there might be alternative ways to serve Beebee station directly from the main-line. These should be explored to develop the cost tradeoffs to CONRAIL of continued operation of the Rochester Running Track versus investment in a new means of access.

114a Rochester Branch: (Rochester-Scottsville Yard)

New York State Department of Transportation recommends that USRA assure service to 84 Lumber on this segment.

137 Catskill Mountain Branch: (Kingston-Bloomville)

USRA should re-evaluate this segment after revising upward the carload data at Roxbury and Stamford. In 1973, New York State Department of Transportation found these stations to generate 445 and 449 carloads respectively. USRA reports only 346 and 330 carloads. Furthermore, the Department recommends that this branch be re-evaluated only between Kingston and Stamford. The patron at South Kortright has discontinued use of this line and rail service does not seem warranted beyond Stamford. In all this increases traffic density from 10 carloads per mile to 14 carloads per mile. As the average revenue per carload on this segment is relatively high, this line has negotiated solution potential.

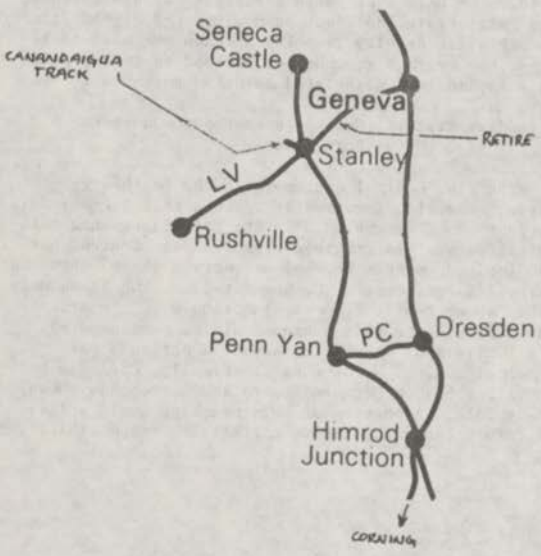
230a/231a Elmira Secondary Track: (Southport-Southport Junction-Horseheads)

These two segments serve Penn Central customers in the Southport-Elmira-Horseheads area. The Plan incorrectly reports that Segment 231a has no Penn Central patrons. Segment 231a is the Erie Lackawanna main-line which Penn Central serves via trackage rights. Penn Central has several rail patrons located on this segment and serves these customers under receprocal switching agreements. On Segment 230a, the line's only rail patron is located about 1-mile from the junction with the Erie Lackawanna main-line. Service to this patron could be continued by Erie Lackawanna as a 1-mile spur generating about 50 carloads per mile; a negotiated solution might be necessary. Finally, USRA did not evaluate the Lehigh Valley branch between Elmira and Horseheads shown on the map for Segment 231a. A portion of this trackage would still be required even if Erie Lackawanna assumes all service responsibilities in the area.

233/234 Sodus Bay Secondary: (Seneca Castle-Penn Yan)
and
238 Canandaigua Track: (At Stanley)

These segments are illustrated on the map below. Involved are the Penn Central branch from Penn Yan to Seneca Castle via Stanley. The 0.6-mile Canandaigua spur at Stanley and the Lehigh Valley branch (No. 1001) from Geneva to Rushville. There are several errors in the USRA analysis. First, the Lehigh Valley spur is not evaluated in the Plan at all; it has a potential of over 300 carloads on the 8-mile Stanley-Rushville segment; there is no traffic on the 7-mile Stanley-Geneva Segment. The carload traffic reported at Bellona is in error also; in 1974 the Olin Corporation shipped and received a total of 355 carloads--not 52 carloads as reported in the Plan.

These lines should be evaluated as a group. The most attractive operating configuration appears to be Penn Yan-Stanley-Seneca Castle with the Canandaigua spur and the Rushville spur operated from Stanley; the Stanley-Geneva segment could be abandoned. The revenue that CONRAIL would obtain from the former Lehigh Valley patrons on the Rushville spur should be used. As most of this traffic generates especially high revenue per carload, it seems likely that a correct analysis would show this group of lines to be profitable. If not, the lines have a high negotiated solution potential.



246 16th Street Track: (At Olean)

A negotiated solution could be initiated for this line. However, since the patrons on this segment have apparently found alternative service arrangements, continued service on this spur may not be warranted.

249 Chautauqua Branch: (Mayville-Corry, Pa.)

This line is especially important to the agriculture of Western New York. It has high negotiated solution potential. Within the next few years, Mayville Plastics, not now a rail customer, plans to install new silos for storage of raw materials at Mayville. This line connects with segment 248 to the North which USRA has recommended for further study. If these two segments are treated solely for their local service potential, the Department recommends that service be provided from the south, via segment 249, and that segment 248 which has no local customers, be discontinued. Service from the south is the only way to serve all railroad customers.

However, this line has the potential for through (overhead) movement of coal to a new power generating station on the Lake Erie Shore. This potential should be fully explored before either segment is recommended for abandonment.

260 Valley Branch: (Falconer-North Warren, Pa.)

Service to this line should be re-evaluated as one branch from Falconer through North Warren to Warren and Struthers, Pa. This includes segments of PA260a and PA646a. The most lightly used Emporium Secondary Track (segment PA646a) could then be retired for nearly 30-miles and a greater total number of users served.

In any event, USRA should assure that service will be continued to the rail users located at Falconer, which is adjacent to the Erie Lackawanna main-line. In this instance, the negotiated solution potential of service to Frewsburg from Falconer must be explored. To accomplish this, USRA would have to develop the revenue per carload which Erie Lackawanna would obtain from serving this Penn Central customer.

1002 Ithaca Running Track: (East Ithaca-Freeville-Cortland)

New York State Department of Transportation recommends that USRA evaluate this segment in two parts--east and west of the connection at Freeville with the Freeville Secondary Track (segment 1003). The The evaluation of the East Ithaca-Freeville segment should include restoration of service to the Cornell University Power Station which is presently embargoed due to a minor washout. Cornell uses 93,600 tons of coal per year and several hundred carloads of coal traffic would be used. Cornell has offered to pay to repair the washout. Failure to restore service to Cornell is inexcuseable.

The Freeville-Cortland segment could be abandoned if the patrons at Cortland are provided service by Erie Lackawanna or its successor.

1003 Freeville; Secondary Track and Mead Secondary Track: (Owego-Mead)

New York State Department of Transportation is financing the rehabilitation of this branch line to FRA Class II standards. USRA should re-evaluate this segment by:

(1) excluding the cost of rehabilitation

(2) reducing the costs for maintenance-of-way and transportation to reflect FRA Class II safety standards and 25 mph operating speeds (these higher speeds provide a major reduction in on-branch costs).

(3) crediting the line with the revenue that CONRAIL or Erie Lackawanna (or its successor) would receive for providing service; it is not intended that a railroad with the short haul of Lehigh Valley continue service on this line. This should at least double the revenue attributable to the line and the average revenue per carload.

Properly evaluating this branch should show that operations would be profitable to Erie Lackawanna. If the line is still shown to be unprofitable, it is sure to have a high negotiated solution potential as a result of the State's action in rehabilitating the track.

1015 Auburn Branch: (Sayre, Pa.-Owego)

The only rail customer on this segment is located at Smithboro. If a connection to the Erie Lackawanna main-line is built for this user, the entire Sayre-Owego trackage could then be retired.

1020 Jersey City to Buffalo Line: (VanEtten Junction-Geneva Junction)

This line should be evaluated by USRA based on the following segments: VanEtten Junction to Odessa and Geneva to Kendaia. Carload traffic for 1973 received from Lehigh Valley showed the following:

Segment	Operation By	Total Miles	Total Cars	Carloads Per Mile
VanEtten Junction-Odessa	EL	16.4	394	24
Geneva-Kendaia	CONRAIL	11.9	1,038	87

Until USRA quantifies the revenues that would be attributed to Erie Lackawanna or CONRAIL, New York State is unable to determine if these segments would be shown to be profitable. Both appear to have high negotiated solution potential.

It does not appear that service between Odessa and Kendaia can be continued. A negotiated solution should be initiated to obtain alternative service to patrons on this segment.

1022 Jersey City to Buffalo: (Geneva-Rochester Junction)

New York State Department of Transportation found that in 1973 the Manchester station generated 242 carloads. This Department recommends that USRA re-evaluate this segment from a new connection with the Auburn Road (just north of Shortsville) to Manchester--distance of about 1-mile. Additionally, Ryan Homes, Inc. located in Farmington appears to be an extensive rail user not properly accounted for. Traffic for this patron has not been reflected in the USRA viability test. Once revenues attributable to CONRAIL are determined for both the Manchester and Farmington stations, it is likely that service will be shown to be profitable. A negotiated solution should not be necessary for inclusion of these segments in the Final System Plan.

It is of course assumed that Lehigh Valley patrons in Geneva and Victor will receive direct service by Conrail. If all of these service considerations are provided for, the rest of the Lehigh Valley main-line can be abandoned.

1023 Jersey City to Buffalo Line: (P&L Junction-Batavia)

Continued rail service should be explicitly assured to Lehigh Valley customers at Batavia and Caledonia by CONRAIL or Erie Lackawanna. If all of these customers are guaranteed continued service, the rest of the Lehigh Valley main-line can be abandoned.

NOTE: USRA did not evaluate the Lehigh Valley main-line between Rochester Junction and P&L Junction.

Lines For Which No Recommendation Were Made

To render an appropriate recommendation this Department recommends that United States Railway Association evaluate the financial viability of the following lines and report the results:

USRA Code	Termini
77	Herkimer to Poland
232	Penn Yan to Dresden
245	Olean to Alleghany
1001	Geneva to Rushville

United States Railway Association contends that the Schenectady to Hoffmans (segment 73) and Carman to Schenectady (segment 74) lines are not now being served. This is only partially correct. The segment between Carman and "Sand Bank" yard is presently used to serve existing rail users in Schenectady and provide access to the Penn Central Aqueduct Branch. This line guarantees competive rail service to the Schenectady General Electric Plant.

This Department believes that these segments are also needed for high-speed rail service.

In addition, this Department recommends that United States Railway Association provide supportive data that a lack of demand for service exist on segment 94 the Carthage Branch at Watertown.

A NATIONAL RAILROAD PROGRAM

A REPORT TO THE UNITED STATES CONGRESS

MAY 1975

STATE OF NEW YORK
HUGH L. CAREY, GOVERNOR

DEPARTMENT OF TRANSPORTATION
RAYMOND T. SCHULER, COMMISSIONER

This Report Was Prepared By The .

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A NATIONAL RAILROAD PROGRAM

SOLVING THE NATIONAL RAILROAD PROBLEM

MAY 1975

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SOLVING THE NATIONAL RAILROAD PROBLEM

Introduction

When the Regional Rail Reorganization Act was enacted at the end of 1973, it ended debate over the best means of solving the problems of the railroads in the Northeast and Midwest. Many other solutions to the problems of the Region had been advanced at that time, ranging from the extremes of outright nationalization to uncontrolled liquidation at the court-house steps. The Act that finally evolved was a good measure. Rather than imposing a solution on each bankrupt railroad, it provided a framework for the development of a Plan for the Region as a whole. It reflected the best thinking that existed at that time. The Act was endorsed by the State of New York.

New York State has cooperated in the planning required to make this Act work. We actively sought to use the Act as a means of solving our railroad problems. We did not try to bring the Act down by opposing its implementation in the Courts or opposing the decisions of railroads to reorganize under its provisions. We have tried to complement it financially through a $30 million direct State appropriations and through our $250 million Rail Preservation Bond Act. New York and its constituents supported the federal agencies created under the Act and exchanged data and evaluation methodologies.

Work under the Regional Rail Reorganization Act and related events that have transpired since it was signed into law have taught us much. The public has learned about the railroads operating in the region--their traffic patterns, marketing strategies and operational patterns. We have uncovered and explored the causes of their bankruptcies. We have found that much of the conventional wisdom concerning the solution of the railroad problem was wrong. For example, two years ago we believed that operation of uneconomic branch lines was a major cause of the railroads' financial plight. Now we know that it is a minor contributor. Based upon our increased knowledge we can conclude that the Act itself, and the Preliminary System Plan developed under its provisions, does not provide a permanent solution to the railroad problems of the Region and certainly not the nation. It is an interim solution.

We have found the reorganization work to be inadequate as a permanent solution because:

- it starts from the premise that the problems of the Northeast and Midwest railroads are unique to the Region, and

- it only considered solutions that were confined to that Region.

At the time the Act was prepared, the full scope and depth of the railroad problem was not appreciated. Subsequent events have shown that the railroad problem is national rather than regional in scope and importance.

When the Act was enacted the Western and Southern carriers were in a relatively sound financial condition. However, since adopting the Act, the situation of the Western Carriers has badly deteriorated:

- -KATY has been forced to obtain loans under the provisions of the Act "to avoid reorganization proceedings under Section 77 of the Bankruptcy Act;"

- -Rock Island has gone bankrupt and is proposed to be abandoned with services assumed by connecting railroads; this is much the same process that is going on within the Region;

- -Southern Pacific reported first quarter losses of $21 million in 1975 and has delayed $50 million in capital programs and laid off 5,000 employees; these are its first losses in decades; and

- -Burlington Northern's profits are coming only from its non-rail assets; this is exactly the situation on the New York Central and Pennsylvania railroads prior to merger.

Studies conducted by United States Railway Association have proved that Penn Central is operating efficiently. Consequently, United States Railway Association's proposal to simply reorganize Penn Central and call it ConRail can only be viewed as an interim solution to our regional problems and will certainly not improve national conditions.

The Solution

The nation must be served by a small number of competing, efficient modern railroad companies each with a network extending across the country. There should be both east-west and north-south transcontinental systems.

The configuration should allow for efficient service and operation. The public should be served by a carrier capable of managing traffic from origin to destination, controlling pricing, scheduling and reliability all the way. These railroads should be organized to efficiently move traffic over the least costly routes and through the best terminals. Local operations should be consolidated onto fewer carriers to allow more frequent pickup and delivery and better car supply. Competition should be enhanced at the large traffic centers.

These concepts are not new. They have been most recently advanced in

> IMPROVING RAILROAD PRODUCTIVITY: Final Report of the Task Force on Railroad Productivity of the National Commission on Productivity and Council of Economic Advisors, November, 1973, and
>
> CONTROLLED TRANSFER AS A RESTRUCTURING MECHANISM: Final Report to United States Railway Association under Contract USRA-C-50071, January 15, 1975

At the State level, New York State has invested an independent effort on this subject. Meetings have been held with the railroad operators to determine if this solution is feasible and, if so, how it can be brought about. We have found that this solution is essential now and capable of achievement.

The next section of this report discusses the mechanism for developing transcontinental systems. First, the benefits of such a railroad organization should be enumerated.

The railroad industry is presently composed of scores (68) of major line haul railroads plus hundreds of smaller, local lines. As a result, about half of all rail shipments involving 70% of all freight ton-miles move over more than one carrier. Table 1 shows the percent of traffic interchanged by major Western and Southern railroads with Penn Central. Loss of traffic volumes of this magnitude would substantially reduce the rate of return on investment of these railroads.[1] Table 2 shows that this traffic amounts to 28.3% of all national railroad freight revenues.

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[1]Rate of return on investment was 5.70% in the South, 4.40% in the West, in 1974.

TABLE 1

IMPORTANCE OF PENN CENTRAL TRAFFIC TO
OTHER RAILROADS IN THE NATION

	Connecting Railroad	Annual Number of Cars Interchanged With PC	Percent Cars Interchanged With PC Of Total Cars Handled By Connecting Railroad
South			
	Southern	170,293	6.46
	L&N	159,300	7.19
	RF&P	116,715	40.80
	ICG	51,970	2.62
West			
	C&NW	142,965	9.08
	AT&SF	116,931	6.85
	BN	103,277	3.98
	MP	102,838	6.03
	SSW	92,949	17.55
	CMSTP&P	77,063	7.63
	RI	66,767	6.68
	SOO	35,220	6.84
	SLSF	34,862	4.00
	TOTAL	1,271,150	

1,271,150 carloads is
approximately 25% of
Penn Central carloads.

TABLE 2

TRAFFIC BETWEEN THE NORTHEAST AND MIDWEST REGION
AND
OTHER REGIONS OF THE UNITED STATES (1972)

	Interchanged With Northeast And Midwest (all figures in millions)		
	Cars	Tons	Revenue
Western	1.49	54.78	1,887.15
Southern	1.81	88.53	1,115.06
TOTAL	3.30	143.31	3,002.21
		(as percents)	
Western	6.72	4.35	17.79
Southern	8.13	7.03	10.51
TOTAL	14.85	11.38	28.30

Obviously, the railroads are primarily involved in long-distance markets. The interchange of this long-haul traffic between railroads is an impediment to fast scheduling, efficient management control from origin to destination, and consistent competitive pricing. It adds to the cost of movement by requiring unnecessary interchanges, inadequate blocking of trains, duplicate yards and multiple clerical costs. Empty car movements are not properly balanced adding to car shortages. This is an inequitable modal imbalance as all other modes are transcontinental in scale. These carriers have been able to obtain the most lucrative, high-revenue traffic primarily because they are unfettered by these types of restrictions.

The potential for railroad traffic is not being realized under this system. It is a severe impediment to the profitability of all the railroads in the country and a barrier to high quality railroad service.

The situation on the local service lines further illustrates this situation. Because the revenues for most local services are shared by several carriers, the carrier providing the local service cannot judge the system profitability of the services it provides. This applies to the East, West and South. Services may be profitable to the providing carrier--in which case they may be properly marketed and efficiently operated (this depends upon just how profitable each service is relative to others)--or they may not--in which case they will be discouraged. These decisions--each rational within the context of the providing carrier--are sub-optimized in regard to the national network. Independent decisions, whether they be of Penn Central in New York, Southern in Georgia or Santa Fe in California, are not the best decisions for the nation.

No railroad operation can be properly evaluated when management responsibility is so divided and proper accounting made so difficult. Table 3 is a sampling of United States Railway Association studies of New York State branch lines. Thirteen branch lines are unprofitable to Penn Central but make a net profit to the national system. Other lines make national contributions out-of-proportion to their contributions to Penn Central. All local services, whether on a branch line or at a community on a main-line, cannot be properly evaluated except from a national perspective.

Operations in New York should not be curtailed if they make positive contributions to the national railroad system--just as services should not be curtailed in Texas or Oregon if they lose money for Burlington Northern but contribute profits to Penn Central.

The national railroad network can no longer sustain the losses caused by regional carriers shutting down operations which lose money to them but contribute to the national system as a whole. We must have a

TABLE 3

ANALYSIS OF SELECTED BRANCH LINES PROFITS/LOSSES

	Profit Or (Loss) To ConRail From USRA Plan	Gross Revenue Accruing To Connecting Carriers (Not ConRail)	Revenue* Accruing To National Network
Lines Profitable to the Nation but Unprofitable to ConRail			
Rochester-Lima	(106,044)	952,460	846,416
Montgomery-Kingston	(379,417)	1,233,494	854,077
Williamson-Oswego	(411,393)	947,200	535,807
Rotterdam Junction-S. Fort Plain	(275,813)	617,409	341,596
DeKalb Junction-Ogdensburg	(158,134)	426,704	267,570
Charlotte-Riverview	(506,643)	735,255	228,612
Owego-Mead	(663,843)	847,447	183,604
Newark-Marion	(102,996)	238,095	135,099
Canandaigua-Victor	(58,838)	116,974	58,136
East Syracuse-Fayetteville	(28,950)	69,042	40,092
Malone-Canadian Border	(90,051)	128,406	38,375
Rome-McConnellsville	(31,976)	68,089	36,113
Camden-McConnellsville	(40,994)	44,545	3,551
Unprofitable Lines			
Mayville-Corry	(212,280)	196,288	(15,992)
Williamson-Windsor Beach	(209,060)	147,864	(61,196)
Millerton-Ghent	(231,742)	39,729	(192,013)
Kingston-Bloomville	(694,402)	199,631	(494,771)
Profitable Lines			
Horseheads-Watkins Glen	862,047	1,697,332	2,559,379
Boonville-Lyons Falls	224,773	843,015	1,067,788
Carthage-Lowville	14,573	410,076	424,649
Hudson-Claverack	1,953	138,844	141,797

*From this must be deducted the costs of the connecting carriers. Using a "fully allocated cost" procedure, a rough estimate of these costs can be obtained by multiplying "Gross Revenue" by the average operating ratio. This ranges from 0.714 for Southern to 0.791 for ATSF. Net profit contribution could be roughly estimated accordingly.

national rail system with management with sufficient span of control to properly run the system.

As can be seen, we cannot get a true financial picture of railroad profitability by a parochial regional analysis. The problem is national in scale. Many millions of dollars are involved. Services in the Region as well as in the South and West can only be properly evaluated with a national focus.

In all, unexploited revenue opportunities exist that are being lost to the nation's railroads, and unnecessary avoidable costs are being incurred because of inadequate management span of control.

The Mechanism

A system must be developed that allows efficient single-line movement of the greatest amount of traffic but preserves competition in the major markets. By providing several single-line managements, each with total responsibility for movements between different regions, real competition can be increased. Few of today's 68 major railroad companies have total management control; rather they abut and depend upon each other for most movements. This is not effective competition, because the overlapping cooperation and coordination required inhibits competitive iniatives.

We already have the beginnings of such a system. For example, both Illinois Central Gulf and Louisville & Nashville blanket the area between Chicago and the Gulf. Southern Railway is anxious to obtain major extensions in the Midwest (Detroit) and Northeast (Newark/New York) as part of the Regional Rail Reorganization Act. This was not a weak willed gesture but a strong endeavor to set up a north-south transcontinental system. We must build upon these and other large railroads of the nation--including Penn Central--a network of efficient, competing transcontinental systems capable of providing high-quality services to the public.

Such a coordinated, national railroad network can be effected under a new "National Railway Reorganization Act." A federally sponsored and encouraged program of creating transcontinental railroads through mergers of present railroads, some of which are undergoing reorganization in bankruptcy and some of which are profitable, must avoid two potentially fatal defects. On the one hand, the provisions related to merger or transfer, or to the invasion of private management prerogatives, may be so onerous or so uncompensated, as to be unconstitutional. On the other hand, those provisions may lack sufficient compulsion to inspire immediate voluntary participation; the nation cannot afford a lengthy high-stakes poker game among the various interests.

The Act should be drawn to compel the mergers and restructuring eventually recommended. This compulsion can be statutory or economic. A scheme of statutory compulsion will provide for mandatory transfers and mergers in accordance with the approved plan with adequate compensation in the form of grants, operating subsidies, or Tucker Act remedies to satisfy the constitutional due process requirement. Under a scheme of economic compulsion, the competitive status of participating railroads could be so enhanced through a system of grants, loans, operating subsidies and tax assistance or exemption that competitors who choose not to participate would be committing economic suicide.

A detailed outline of the kind of legislation necessary is presented in Appendix I. Briefly summarized, the Act would basically do the following:

1. Set forth a clear Congressional intent that a national transcontinental railroad system is essential and can be achieved by (a) consolidating railroad operations and (b) allowing private enterprise to implement solutions under federally-developed guidelines and procedures;

2. Establish a set of reorganization guidelines , subject to Congressional approval, that would be used in the planning and implementation of the new railroad systems and conduct a federally-funded "Rail Service Improvement Program" to rehabilitate the transcontinental systems;

3. Initiate, supervise and complete an industry-based reorganization in accordance with the Congressional intent and guidelines to be developed. Only those railroads electing to participate in the reorganization would be able to obtain funds under "Rail Service Improvement Program" and avail themselves of other favorable provisions of the Act.

4. Amend the Interstate Commerce Act to facilitate the expeditious resolution of Interstate Commerce Commission Divisions cases.

An Interim Solution

Although a national solution to the railroad problem is essential to the development of a permanent, high quality rail service system, an interim solution must be found for the problems of the Northeast and Midwest Region. Such a solution has to:

1. reduce the losses in the Region and take steps to immediately improve service and overcome deferred maintenance.

2. not impair the structural integrity of the Region's main-line system so as to preclude end-to-end mergers or line transfers.

3. not incur costs in making alterations that are not needed for transcontinental mergers.

It is fortunate, therefore, that we have the work being accomplished under the Regional Rail Reorganization Act. It is moving toward a workable interim solution for the Region.

The Act is working as Congress intended. The process of developing a Preliminary System Plan, subjecting it to full public scrutiny, providing an independent federal agency to comment on the Plan--the dynamic interrelationships of constructive criticism between the federal and state governments--is leading toward a Final System Plan that can serve the Region for the iterim. It meets the three tests outlined above that any interim solution must meet.

A Final System Plan that builds upon the Penn Central and Erie Lackawanna systems a competitive structure for the Region is acceptable. The following modifications are required. It is proposed that:

- ConRail be formed to operate the lines of Penn Central plus other segments of the smaller bankrupts

- Mid-Atlantic be formed to operate the lines of Erie Lackawanna plus other segments of the smaller bankrupts

New York's proposal for Mid-Atlantic is different from that of United States Railway Association or the revised concept of Rail Services Planning Office. Rail Services Planning Office states that the main-line of Erie Lackawanna between Central Ohio and Chicago is a redundant

route--much as Lehigh Valley's line in New York, and that the Midwest State have adequate competition because of the extensive services of Norfolk & Western, Chessie and other railroads. However, Mid-Atlantic must reach the major western connections at Chicago and St. Louis and Southern connections at Cincinatti. This is essential to prevent further balkanization of the East's main-line operations in direct contradiction to the thrust of transcontinental systems.

The Mid-Atlantic System should be closely coordinated with ConRail in the Midwest to preserve on the lines of the present bankrupts the greatest density of traffic flow and the longest haul and highest revenues.

One way to achieve this close coordination is to provide joint ConRail/Mid-Atlantic operations between Chicago and Marion, Ohio and St. Louis and Marion over present Penn Central lines, coordinate Erie Lackawanna with DT&I for connections to Detroit and Cincinatti and abandon Erie Lackawanna between Marion and Chicago.

Other proposed alternatives such as Governor Shapp's proposal to unmerge Penn Central and the United States Railway Association's CONFAC proposal do not represent viable interim solutions. The unnecessary costs associated with the unmerging and the length of time required to accomplish the task eliminates the unmerging plan as an interim solution. CONFAC would involve an unneeded expenditure of public funds as well not to mention the development of a cumbersome mechanism of temporary government ownership and administration of the rail network.

The main-line issues are of overriding importance. However, a solution must be found to the branch line problem. If the time between now and approval of the Final System Plan can be used to complete an accurate analyses of all light-density lines--simply correcting errors--we should move forward with the 70/30 subsidy provisions contained in the Act. This is the only way to begin rehabilitation of essential lines, allow shippers on lines to be kept to go forward with investments in plant and environmental controls. The two year subsidy period will allow sufficient time for correction of cost methodologies under the direct costing approach sought by Rail Services Planning Office. Rail Services Planning Office's approach--a two year delay--does nothing to settle the key issue--off branch costs. A detailed study of this issue is now under way in New York. Results of this analysis will be made available to Congress prior to its action of Final System Plan; this should allow proper decision to be made on this issue.

To summarize, the work of the federal agencies under the provisions of the Act has the potential for success. It is a limited success in that it does not present a permanent solution to the Region's problems, but it does have potential for fulfillment of the Congressional intent to the maximum extent possible. Its singular achievement is the presentation of a means of curtailing losses, increasing revenues and providing potentially profitable and more efficient operations for the short term. It allows permanent solutions to be developed.

APPENDIX I

National Railway Reorganization Act

Findings

-The railroads of the nation are facing economic difficulties and increasing numbers of carriers across the nation have entered or are about to enter bankruptcy.

-The railroads operate as an interconnected system with one-half of all freight, and 70% of all freight-ton-miles operating over the connecting routes of more than one carrier.

-The railroad system of the Northeast and Midwest Region contributes more than one-fourth of all the freight revenues of the Western and Southern carriers.

-Failure to successfully reorganize the railroads of the Northeast and Midwest will impair the financial viability of all the railroads in the country, endanger continued rail service in all States and bring the dangers of nationalization to every region of the nation.

-The railroad problems of the Northeast and Midwest and the nation as a whole cannot be permanently solved without a coordinated national solution.

-There are unnecessary costs incurred and substantial revenue opportunities foregone because of the fractionalized, organization of the railroad industry.

-There is unnecessary duplication of railroad services and this duplication is unnecessarily raising transportation costs while simultaneously hindering efficient services. Markets can be exchanged in such a way as to consolidate operations onto fewer carriers providing faster and cheaper services at smaller traffic points while enhancing competition at larger traffic centers.

Guidelines

The first step in achieving a coordinated national railroad system will be the development of a set of system planning guidelines. These guidelines are for the purpose of structuring the reorganization of the scores of major trunk line railroads into a limited number of competing north-south and east-west systems capable of meeting the rail service needs of the nation.

These guidelines are to:

-define a "transcontinental railroad" for purposes of this Act

-propose the appropriate number of east-west and north-south systems to be developed so as to provide interregional traffic flows under one management

-determine efficient market size to warrant competition and propose the number of carriers appropriate to each market size

-provide criteria to: (a) aid in the selection of key interregional and secondary main-line routes reflecting geographic spacing and regional accessibility, (b) guide elimination of duplicate main-line routes, (c) provide the longest possible length-of-haul, (d) balance market share and earning power, (e) preserve the maximum amount of railroad service

The Governor's of the States, or their designees, shall have the opportunity to participate in formulation of the guidelines. After publication, there will be an opportunity for Congress to receive public comment and accept or reject the guidelines.

Procedures

After enactment, a mechanism will be developed for the profitable railroads to work with the appropriate agency or commission to redistribute and reorganize the railroad properties in a manner consistent with the guidelines. A National Reorganization Plan will be developed and submitted to Congress.

Hearings shall be held on the Plan, and a Report on the hearings provided to the Congress. Congress shall reject the Plan and return it for revision or, otherwise, it shall be implemented as proposed.

Mergers in accordance with the National Reorganization Plan shall be exempt from anti-trust and NEPA provisions.

The Interstate Commerce Act shall be amended to mandate determination within a limited period of time, preferably less than one year, of all disputes concerning revenue divisions; said decision to be given retroactive effect to the date of filing. The Federal Rules of Civil Appeals, shall be so modified to provide accelerated expeditious handling of any requests for judicial review.

Financing

Railroads created under provisions of the National Reorganization Plan shall be eligible for the following:

-funds for rehabilitation

All railroads meeting the criteria as "transcontinental railroads" under provisions of this act will be eligible for the rehabilitation funds under the "Rail Service Improvement Program."

The "Rail Service Improvement Program" will be developed and provide grant funds for rehabilitation of designated transcontinental main-lines, regional main-lines, profitable branch lines and yards and terminals.

Rehabilitation projects are to be assigned a priority order. The Governor of each state shall have an opportunity to input information for the purposes of determining priorities. A portion of each rehabilitation project, the percentage of which shall be determined by the Congress, shall be financed by federal grants. All projects submitted and approved will be funded as funds are made available by the Congress. Appropriations sufficient to accomplish the requirements and purposes of the "Rail Service Improvement Program" may be authorized by Congress over a ten-year period.

-funds for labor protection

Pertinent labor protection provisions of the Regional Rail Reorganization Act of 1973 shall be made applicable to transcontinental railroads created in accordance with the National Reorganization Act. Authorization of sufficient funds may be authorized by Congress for this period to implement the "National Reorganization Plan."

-funds for branch line subsidy

The provisions of the Regional Rail Reorganization Act for subsidy to unprofitable branch lines are made applicable to branch lines of all railroads choosing to participate under the provisions of the Act.

Elimination of duplicate routes and exchanges of markets without formal Interstate Commerce Commission procedures

Upon submission by a transcontinental railroad of a rail restructuring plan develop in accordance with the provisions of this Act, and, upon approval of the proposed restructuring plan, duplicate lines, owned, leased or otherwise operated by the participating railroad shall be abandoned or shall be exchanged or coordinated with parallel railroads, provided the said abandonment, exchange or coordination has been approved as a part of the proposed restructuring, without being subject to Interstate Commerce Commission abandonment procedures, or provisions of the NEPA or antitrust laws of the federal or state governments.

A railroad where feasible may stoip serving a market area which is no longer profitable if the market area is served by a remaining railroad. The railroad remaining to serve the market shall assume shipment of the freight previously carried by the railroad abandoning the market. Railroads may agree where feasible to exchange markets in accordance with provisions of this Act.

Such adjustments shall be subject to necessary approval and shall be made effective within the time limit for national rail restructuring.

Senator BENTSEN. Our next witness this morning is Hon. John Dyson, commissioner, New York State Department of Agriculture.

STATEMENT OF JOHN S. DYSON, COMMISSIONER, NEW YORK STATE DEPARTMENT OF AGRICULTURE

Senator BENTSEN. Mr. Dyson, we are very pleased to see you again.

Mr. DYSON. Thank you, Senator. I am happy to follow my distinguished colleague in this administration, who also knows more about this situation than anyone except maybe yourself.

I remember the last time we were discussing transportation, you and I took a trip on the New York City subways. As I remember, I also provided the token.

Senator BENTSEN. You have a long memory. Any time a Texan gets something off of a New Yorker, he is doing pretty good.

Mr. DYSON. Anyway, I am delighted to discuss rural needs with you, in particular. I think there are really four larger issues I will want to raise with you briefly, then proceed in some detail with how specific rail abandonments may affect agriculture in the State of New York.

First, we have the overall question of usage of energy. Particularly, we ought to remember that agriculture is a heavy user of energy in a variety of forms. We have, as you realize, an invested capital per worker in agriculture, which is roughly twice that of the industrial average. Energy is used in the production of machinery for operating the machinery, for fertilizers, pesticides and other things based on petroleum.

Energy is used in the harvesting, again in the processing, again in the transportation, again in the freezing of the various perishable food products.

It is inherent in the nature of perishable products that a great deal of energy has to be expended, merely to keep them fresh and wholesome. Third, we realize that railroads use much less energy per-ton-mile. They are the most efficient method, substantially more efficient than over-the-road trucks which, in addition, use more energy.

Commissioner Schuler has pointed out to you that the roads, bridges and canals, and other forms of transportation are really not built to absorb the tonnage and traffic volume we might place on them as a result of the abandonment of the rail.

We have to recognize that transportation is only one of many costs and that New York competes with other areas in the production of food. We cannot afford to pay more, say, for the transportation of lettuce, in which I point out to you that we are number 7 in the Nation, than California does. We lose out. Our farmers lose out.

The fourth point I will touch on is I think we have to be careful that the transportation policy in the State be set on the basis of what formula the Federal Government may decide to quit spending; whether it is 90–10, 80–20, 70–30 or 50–50. These kind of formulas have a tendency to skew policy.

They may have us doing things which we should not do. I would like to talk a little bit about agriculture. We have a chart, Senator, at the end of the testimony, a map of the State of New York. On it we have designated three kinds of rail lines.

First, those that are critical to agriculture in the solid dots; those that are important to agriculture with the open circles; and those with low agricultural impact with the "X's."

I would like to focus just on five of the rail segments which are critical to agriculture. Rather than burden you with the details we can provide that to your staff if they should need them.

I should say first that I speak for New York State, the largest single industry, which is agriculture. That fact often surprises a great many people.

In the Nation we do rank very high, most notably being the second in production of milk; fourth in the production of fruits, fifth in the production of fresh vetetables, all of which require a substantial amount of rail transportation, getting the raw materials to the plant or to the farm and getting the finished product to New York City, or other major areas.

The economic health of this $1.5 billion agricultural industry is the top priority to the State and to the Governor of the State.

Several of these rail lines are essential for the health of the agricultural industry. In addition to the impacts on the economy and the effects on population, each of these lines has to be examined in terms of its importance to the agricultural industry itself.

Several rail lines proposed for abandonment would have a critically adverse affect on agriculture.

Senator BENTSEN. What would they actually do to agriculture, to the farmer himself?

Mr. DYSON. I am going to get to that.

The line from the first one is No. 1 on our map. If you look at it here, it is from Schenectady going west, from the Rotterdam Junction to South Fort Plain, known as the West Shore Line. It goes along the west shore of the Mohawk River.

This line serves the Baker, Beech-Nut factory and several farms. Beech-Nut has spurred development of the vegetable farming in the Schoharie Valley, which is one of the most fertile in the area.

The rest of the agricultural industry in New York State that does processing is located around Rochester. Abandonment of that line would create severe hardship for the farmers along that route. That railroad line does parallel with parts of the New York State Thruway, but many of the things shipped in and out could not be profitably done on the thruway.

Here we get into the question not so much of alternative methods, but alternative methods with what cost. I think when you are dealing with heavy products, a carload of canned beans, for example, or canned peas or baby food, this is very heavy stuff and it is much cheaper to move it by rail, whose specialty is bulky or heavy commodities, than it is to move it by truck. The effect there would be on the farmers and the prices the farmers would be paid.

If Beech-Nut were to stay in business, I guess, the presumption that any increased cost as a result of the abandonment of these kinds would come out of the amount of money that the farmer would get because they would be competing in the marketplace with other processed canners.

Something along the line of $10 or $15 a ton is the difference in cost of the finished product. That means something of that equivalence would come out of the money that the farmer would get.

The second line, which is that of Lima to Rochester, on this map is the short, north-south line in the western part of the State. That also is critical according to our survey to fertilizing blending plants located on that line.

The Swift Chemical Co., I believe, in New York produces approximately 5 percent on that line. In the case of fertilizers we face a complete production loss by that plant because of the costs involved in moving by alternative methods.

The manufacturers that we surveyed asserted that direct rail service was an absolute necessity for continued operation of these fertilizer blending plants. We have already lost 100,000 tons of fertilizer production in the State. This additional loss would greatly increase the cost farmers would have to pay for fertilizers. Once again, in this sense it would decrease the net income they would get as a result.

The third line that we want to touch on just briefly here, the details are in the written testimony I have given you, Senator. This is part of the Harlem Division of the Penn Central Railroad, which runs through my home county, Dutchess County. I am quite familiar with the different plants that would be abandoned there.

The 13.2 miles of rail from Millerton to Wassaic serves many companies. To summarize, one is Sharon Agway, which brings in by railroad, 248 cars in feed. They would have to go out of business, in their judgment at least, out of the feed business. That area for the city of New York, also for the State of Connecticut, and there we have the figures that would be $10 or more a ton for feed that the farmer would have to pay if he brought it in by truck instead of rail.

Eventually, this will either drive farmers out of business, extend the business out to another State or will increase the price of food to the consumer.

The second plant there, which is Wayne Feeds, brings in 125 to 140 carloads of feed and seed. They estimate they will go out of business if they had to use trucks. They serve presently 70 to 75 farmers in that area. Those 75 farmers would also have a much higher cost to bear.

Senator BENTSEN. What kind of impact would it finally have on the employment in the area, would you think?

Mr. DYSON. It would have a substantial effect. The Agway employs five or six full time and whatever variety during full season. We are talking about 75 farmers which means 150 on an average for the two workers for the dairy industry. That would mean 150 people.

Wayne Feeds would be another 150 there. Just for one rail line we are talking about 2,300 direct jobs.

Senator BENTSEN. After all, you are talking about an increase to the cost of food, to the consumer?

Mr. DYSON. In the end. We are also talking about the loss of jobs, the impact on unemployment. We know, for example, that for every five farmers we lose, we lose one additional business. If we lost 75 farmers, we would lose something in the order of another 12 businesses in addition to the ones I mentioned.

The losses are not in specific areas, like this loss of machinery dealer feed dealers, the loss of some processors. We know for every five farm-

ers we lose in this State, we have lost one business. There is also the indirect affect by not having that income in the community on all of the others, commercial shopping, retail stores, banks and insurance companies, and all the rest. We are talking about affecting the entire upstate economy, not just agriculture. But agriculture happens to be the keystone for the upstate economy. If we weaken that, we are in very serious shape for all the other aspects of it.

Senator BENTSEN. We have had testimony from Ohio, their rural areas, they have a number of deficient bridges. They are finding that the farmers have to truck their products many miles beyond what they normally would by the most direct route, which obviously is adding to the cost. Do you have the same type of situation?

Mr. DYSON. Yes. I think it is worse. There are an enormous number of bridges that are below standard. That means they are all right for pickup trucks, but they would not be able to carry a heavy line. They are not in a position to go over that bridge. You may have to detour quite aways around.

Senator BENTSEN. We had a dramatic illustration with the wheat fields. We thought that our transportation, rail and truck, was adequate. But we had a vast supply of grain piled up outside, subject to the elements and improper storage because you couldn't get it moved to the ports. We didn't have sufficient boxcars. The rail lines were inadequate and many of the bridges wouldn't carry the trucks that had to carry the grain.

Mr. DYSON. I think that is typical of what we face. I just want to touch on two other lines, Senator and I would be happy to answer any questions you may have.

The fourth one is a stretch of track from Hamlin to Charlotte, part of what we call Hojack West, which serves a variety of companies, the most important of which is Duffy-Mott. You may have heard of Mott's apple juice and sauce. In 1973, the latest figures I have, they received 284 carloads of raw products and shipped out 265 carloads of finished products. Their rail freight bill was $727,000. There is a similar plant down the road a little on another branch. They say they have to have service on one of those two branches because they cannot otherwise afford to stay in business. They have to pay the higher cost in taking in and bringing out by truck.

In addition, they serve California prune juice which provides a certain amount. Aside from the economic importance of the plant, there will be one less market for our apple growers who supply the process of apples. This company employs over 650 people with a payroll in excess of $3 million. We estimate that has an impact of the local economy in the neighborhood of $12 million, just that one plant.

The fifth stretch of track is all but 15 miles along the same line called Hojack East, which serves 35 agricultural and agriculturally related industries. There are more than 15 major processors on this route. It also serves several cold storage plants and brings in fertilizer, chemicals, seed, and feed.

The agricultural companies on this route employ approximately 3,000 people with a payroll of roughly $10 million; therefore, having an impact of about $40 million along that road. So we can see here, with all these roads, we have got these kinds of impacts.

One of the points that was made very clear to me in the food conference on May 15, was any increased costs really puts the New York State farmer at a disadvantage because the costs are higher than other parts of the country. We have built up over the highest tax rate in the country. We also have the highest land taxes, twice the national average.

As a result of that any, increase in any cost very much strikes the heart of the agriculture in this State. It is easy to say, I think, "Well, this is only one more cost. Transportation is not that big a part of your budget." But it is one more cost we have to bear. In this proportion we will suffer a very strong economic harm, particularly in upstate New York.

I would say one of the main questions is what you do about the branch line problem as a whole, how do you account for it? We believe that the accounting system is not what we would call a thorough and professional one. There is a very carefully derived study of how it ought to be done to really place the true cost under these branches. I believe you have to look, in addition to the effect, for example, of the commuter airlines, very carefully at establishing a pattern of feeders to the branch lines of major areas.

If you decide to get rid of all your branch lines, I think you have to go back and look at your original determinations on the main lines, because you are not going to be brought in the traffic to justify the major lines. I think you have to look the other way around instead, to agree to subsidize some of the commuter lines to get the traffic on the main line.

That is the attitude I know that the USRA does not take. My judgment is, if you look to the nationalist sources that have been provided on a priority basis, such as fossil fuel, we ought to look more strongly at food, our most important resource, and afford it the same priority.

The compensation comes in here, I think, where we have to do that in a positive way to help keep businesses operational along these lines. We urge new means of transportation, new means of using these lines on a more positive interrelationship between truck and rail distribution systems.

I would point out to you, for example, the Long Island Railroad, which serves Suffolk County, which is the State's largest single county, does not have any capacity between picking up, a piggyback system of rail and trucks.

They don't have it because they simply never got around to building the facility. That would be a lot cheaper to ship those crops to market. But they don't even have the facilities for piggyback that might make it easier to have a combined truck and rail system. Each of these things in the end affects agriculture. It is our number one industry. Because that is not generally understood, Senator, we have been the subject, I guess, of a capital attitude.

Senator BENTSEN. You say it is your number one industry?

Mr. DYSON. It is our number one single industry.

Senator BENTSEN. Agriculture?

Mr. DYSON. Agriculture. I knocked them dead in Washington.

Senator BENTSEN. And the second largest rural population in the country?

Mr. DYSON. Right.

Senator BENTSEN. Who has the first?

Mr. DYSON. California. We are nip and tuck all the time with North Carolina, for third. That ends what I wanted to bring to your attention, Senator.

These five lines we think are awfully important for agriculture. I know some of the rest of them are also important for the other industries in the State.

Senator BENTSEN. What do you say to the railroad company that says there just isn't enough traffic on this line to be economically viable? Do you argue that the rest of the system should subsidize that line?

Mr. DYSON. I think, to a degree. What I would like for is what alternative methods we could use. From a series of proposed branches to abandonment we have picked out those we think are important to preserve. I wouldn't say important regardless of the cost. But important given their importance in agriculture. The notion of pay-as-you-go is a wonderful sentiment, I think. But I don't know of any area where pay as you go operates.

We have federally subsidized areas for trucks to run, Federal subsidized airline situations, including freight. All the FAA's is paid for by the Federal Government. There is no payment on the part of the airlines.

Senator BENTSEN. Do you mind if I ask Commissioner McGuire if he can step up and I will question him at the same time?

Mr. DYSON. Sure, he is an old friend of mine.

STATEMENT OF RICHARD McGUIRE, PRESIDENT, NEW YORK STATE FARM BUREAU, CAMBRIDGE, N.Y.

Senator BENTSEN. Do you have a statement you want to submit for the record, Mr. McGuire?

Mr. MCGUIRE. Yes, Senator.

I am honored to appear before you along with the two most competent administrators for transportation and agriculture. I won't read my statement. Some of it has already been said.

I would like to add a third dimension to the remarks that you made because I am an owner and operator of a large dairy farm in New York State, as well as representing the New York Farm Bureau.

Senator BENTSEN. I understand 8,000 of you fellows went out of business last year.

Mr. MCGUIRE. Yes, many of them did. Many small businessmen of all kinds did.

Senator BENTSEN. I am talking about dairy farmers.

Mr. MCGUIRE. I have to say I am a citizen first and a dairy farmer second when it comes to asking for Federal or State aid of any kind. I don't think we are going to alter progress in many of these areas. But I think in transportation we have something similar to what we had in communication.

Communication is an exchange of ideas. Transportation is an exchange of production. I am also on the National Transportation Committee on lot 26.

When you break down any segments of a transportation system you affect the entire system. It does little good to have thruways and interstate highways and feeder lines, if they are not adequate to move the people to the main truck line. This is true in the rail industry.

Senator BENTSEN. Let me probe this point that I made to the commissioner. If you have a feeder line that the railroad can show you is not economically profitable to them, do you feel that the rest of the system should help carry that line or subsidize that main line?

Mr. MCGUIRE. I have listened to this testimony and to other meetings about lines that are not profitable. I don't think we can justify every rail line in the State of New York or the Nation or whatever. I do not feel that the information in the studies is enough to determine the effect on the profitable line. It is my opinion that many unprofitable feeder lines, if they were discontinued the reduction in the movement of goods on the profitable lines to the community, they also would become unprofitable.

Senator BENTSEN. They are given not enough credit to what they contribute to the profitable line?

Mr. MCGUIRE. I think that is another point, too, Senator.

Back in the time of the advent of television, it seemed that this was so popular and spreading so fast that there was really no need for radios. The advent of the great influx of the truck transportation was the beginning of the demise of many of the railroad usages.

You have already indicated the movement of the people out of the urban areas to rural areas. The pressure of all of our modes of transportation, I believe that at the time we might have abandoned some rail lines or services. But we may approach the time of increasing their services. Once this is done, the roadbeds and the access lines and the bridges and so forth are no longer there, our next immediate problem will be to start building again to supply transportation needs for growing and a speeding economy.

Senator BENTSEN. It is interesting to have the commissioner for transportation testifying a few minutes ago. He said you had over 150 bridges you had closed in New York?

Mr. MCGUIRE. We find this is true. There has already been an influx of movement of the goods by truck, because the rail lines need rebuilding. Their bridges and their access lines are not adequate. The speed is cut down. Then they load on Syracuse, a truckload of 20 tons of fertilizers, 40 tons of feed grains, only to find they cannot deliver them to their destination because of inadequate bridges on our highway system.

You mentioned the increased cost to feed grains. The best information we have is a little bit more than about $14 a ton if agriculture eliminates rail transportation. About $20 per ton for fertilizers an average cost of a tractor, and in New York State we increased 300.

On my particular farm the increased costs per year, if we had to go to total truck transportation as an elimination of rail transportation would run about $35 increased costs. This past year with a net income of my dairy farm before depreciation of $12,000, these bear out the facts that the commissioner mentioned, that many farmers would either have to increase the price of food to the consumer or they would have to discontinue operation and seek other employment.

I think in New York State the critical area is imports. The agricultural community in New York State is either producing fresh fruits or they are changing feed grains into a usable product, such as dairy products or eggs.

Feed grains travel from the mid-west by rail almost exclusively, at least for their point of use. Any increase in costs would almost exclusively eliminate that operation.

Senator BENTSEN. What percentage of your products actually travel by rail, do you know?

Mr. MCGUIRE. Yes, 80 percent of feed grains come by rail.

Senator BENTSEN. What?

Mr. MCGUIRE. Eighty percent.

Senator BENTSEN. That is a much higher percentage than I have heard in previous testimony.

Mr. DYSON. This State is a little different. We are a very large State. From the mid-west, all the grain starts on railroad cars and comes in often to a fertilizer blending factory. From there it may go 5 or 10 miles to a farm.

If you take the kernel of grain from Iowa, it comes 80 percent or better away from that farm. I would also add, $14 per ton is an increase of something like 10 percent in the price of feed grain.

It is a major cost to the dairy farmer. It is a very heavy bulky commodity. These are the things that agriculture relies on. We feel with bulky, heavy commodities, like grains and cotton and fertilizer and canned vegetables and fruits, fresh vegetables and fruits, these are bulky, or bulky and heavy. We have to have rail lines do this.

You asked us earlier, should we subsidize? My answer is yes, we should subsidize those branch rail lines that are important to agriculture because we already subsidized the roads that the truck can go over. We are already building the bridges that they can go over. We already are subsidizing the air freight system. We are already subsidizing canals and everything else.

I think the time of the robber baron image of roads is over. We ought to realize we have very sick people on our hands. We have to run the rails better.

I don't apologize for this mistake in management, but I do say we need them in this State for agriculture.

Senator BENTSEN. We have a very substantial user tax subsidizing highways, correct?

Mr. DYSON. I did a study of that one last year when I was out on the Platform Committee. If you take the tolls on the average toll highway and if you take the user tax on gasoline as distinguished from fuel oil and the average truck comes out being subsidized for 3 or 4 cents a mile. It is twice as heavy to carry the trucks. That is a cost people forget.

In addition to that, they don't pay anything like the real cost given the damage to the roads the trucks create as distinguished from a passenger vehicle; we have a very high maintenance cost.

I think the Federal system of the highway thing is without any question a subsidy movement freight by truck.

Mr. MCGUIRE. Senator, if I could just add to that; I realize you primarily are concerned with highways. But it is so interrelated.

Regarding the railroads and reorganization of the northeast railroads, I have to agree, we need a subsidy program. I would like to propose it in an area that is rather specific.

We do supply in the level of government, from the local power to the Federal Government. We do supply waterways, airports in landing strips. It appears to me in the demise of the railroads it began with an inability to maintain the roads and the tracks, the inability to repair bridges, the inability to generate enough money to pay the vast real estate taxes that their lines cross.

It would appear to me there would be no particular danger of nationalization of our railroads which is a fear of many people. Also, history shows that that is not a successful way to go through other countries.

If the Federal Government wanted to perform the most usable service to the transportation industry in this country, in this community, they can assume the responsibility and the money areas for the railroads and let the railroads handle the cars and the transportation on that.

Senator BENTSEN. They argue today when we talk about that. Who decides who gets to run their trains over the tracks?

Mr. MCGUIRE. I think that would be the same situation as who decides the franchise system we have in our trucking industry. This is one of the problems we have in the cost of trucks at this time. If we abandon our rail lines and talk about the cost of changing over to truck transportation, that is only the beginning of the problem.

There is no way there are enough trucks and enough highways to take up all the business that is handled. So, the cost would immediately grow much faster than the figures we used.

Second, the franchise of our trucking industry, particularly with this type of commodities that there are, necessitate so many changes of methods, changes involving running into one region of the country even down to regions of a State, that it just not applicable to the kind of produce we are handling. That is why these things have been handled by rail, because they are not suited to be handled by truck.

Therefore, I think that the money spent by the Government will be the most productive, would go to the repair and maintenance and responsibility of the railroad beds and the rail companies then would be relieved of this problem.

Senator BENTSEN. Is that a Farm Bureau viewpoint or is that your viewpoint?

Mr. MCGUIRE. I was the one that introduced it to the Farm Bureau and they accepted it.

Senator BENTSEN. Is that nationally?

Mr. MCGUIRE. Nationally. The point is in the Northeast where the primary problem is, it generates the fact that the cost of real estate is very tense. It costs more to maintain a roadbed here than it does going across New Mexico, even Texas.

In Pennsylvania, for example, they already have several hundred indictments against the railroads. The bridges, every time it crosses the highway, that is the responsibility of the railroad. They have no money nor can they borrow any money to repair the bridge.

You can travel for miles and miles and miles without the necessity of paying taxes. Much of it is Government land or building bridges.

There are very few rivers, waterways or lakes, very few grade crossings for superhighways or State roads. So the cost of maintaining track acreage is immense in the Northeast.

I think it is relative to the financial problems of the Northeast rails and compares to the other financial problems of other sections of the country.

Senator BENTSEN. I appreciate very much your testimony, Mr. Dyson and Mr. McGuire. Thank you very much. I am interested in hearing the Farm Bureau's position on that.

Senator BENTSEN. Senator Buckley asked that I read into the record his statement here. He said:

Mr. Chairman, distinguished witnesses of rural New York, I severely regret that other business has kept me from being at the hearing. Nonetheless, I am aware that inadequate rail and highway systems are causing increasing problems to citizens and businesses of rural New York.

I intend to review the comments of today's witnesses carefully in order to gain a better understanding of the consideration of these problems.

Senator Buckley is a very valued and distinguished member of this committee.

[Mr. Dyson's and Mr. McGuire's statements follow:]

STATEMENT OF JOHN S. DYSON, COMMISSIONER, NEW YORK STATE DEPARTMENT OF AGRICULTURE AND MARKETS

Agriculture is New York State's largest industry. In the nation New York ranks second in the production of milk, fourth in the production of fruits, fifth in the production of fresh vegetables. The economic health of this 1.5 billion dollar agricultural industry must be of top priority. Several rail lines proposed for abandonment are essential for the health of the agricultural industry. In addition to the impacts on the economy, effects on populations etc., each of these lines must be examined in terms of its importance to the agricultural industry.

Several rail lines proposed for abandonment would have a critically adverse affect on agriculture. The line from Rotterdam Junction to South Fort Plain, known as the West Shore Line, (See #1 on map) about which you will hear more today in later testimony, serves Beech-Nut and several of the farms supplying Beech-Nut. Beech-Nut, which spurred the development of vegetable farming in the Schoharie Valley, is the only vegetable processing operation in the area. The major part of New York's processing industry is located in Rochester.

Another line used for New York's agricultural industry is the line from Lima to Rochester (See #2 on map). A survey done by the Department of Agriculture and Markets shows that two agricultural firms, both fertilizer blending plants, are located on the line. Swift Chemical Company, Lima, New York, produces approximately 5% of New York's agricultural fertilizer needs. The operation of this plant depends on direct rail service.

In the case of fertilizers we face complete production loss following rail service abandonment. The manufacturers surveyed asserted that direct rail service is an absolute necessity for continued operation of fertilizer blending plants. New York State has already experienced the loss of 100,000 tons of fertilizer production capacity. The additional loss of this capacity could place New York State farmers in an untenable position. Thus, whether we are talking about a 6-mile spur to Lima from Lehigh Valley Railroad or the 17.3 miles of track from Lima to Rochester, it is important to keep this service.

Part of the Harlem Division of the Penn Central Railroad (see #3 on map), about which you will hear more testimony later, is also important to agriculture. The 13.2 miles of rail from Millerton to Wassaic serves such companies as Sharon Agway, Millerton Agway, Wayne Feeds, George W. Cook Farm Machine, and several farms, of which six were surveyed.

Several farms and agriculturally related businesses would be seriously affected by abandonment of this 13.2 mile stretch of track. The survey done by the Department of Agriculture and Markets in 1974 indicated:

Sharon Agway, which brings in by railroad 248 carloads of feed a year, would go out of business.

Millerton Agway, which in 1973 brought in 78 carloads of fertilizer, feed and seed, would, if the railway were closed, truck from the closest rail point. In that case they estimate that the price of fertilizer alone would almost double.

Wayne Feeds, which brings in by rail 125 to 140 carloads of feed and seed, estimates that in the long run they would probably go out of business even if they did use trucks on a short term basis. They believe the increased cost to farmers would eventually force them out of business. They serve 70–75 farmers in the area.

George W. Cook Farm Machinery, which brings in 1½ carloads of farm machinery, would, if the rail line were discontinued, truck to the closest rail point. This would be very inconvenient and costly and would increase the cost to farmers.

The major use of the railroad by dairy farmers is for peanut hulls which serve as bedding for the cows. Aside from the feed brought in for distribution, a minor amount of feed—beet pulp and soybean oil meal—is brought in by rail to farmers directly. There is an estimated increase of $5 a ton for grain brought in by truck.

Other agricultural industries would use the railroads if there were proper facilities. For example, Pine Plains Ford Tractor Corporation would use the railroad if freight unloading platforms were available.

Two stretches of track along the Hojack (Ontario Secondary) are of considerable concern to agriculture. (see #'s 4 and 5 on map) The line primarily services the Lake Ontario food processing industry with the receiving of raw materials and packaging supplies and the shipping of finished canned or frozen food. This line is very important to the agricultural industry.

The stretch of track from Hamlin to Charlotte (north of Rochester), (See #4 on the map), part of Hojack West, serves the following companies:

Hilton Agway, which receives fertilizer by rail. More cars would be used by Hilton Agway if cars were available for out-bound wheat.

Hilton Packing and Storage, which receives by rail cherries and cans for processing.

Hilton Milling, which receives lumber and grass seed and ships apples by rail. If forced to use trucks the increased cost would cause the loss of business with the building trade which it is felt would drive the mill out of business.

Duffy-Mott, which received, in 1973, 284 carloads of raw products for processing and which shipped out 265 carloads of finished products by rail. Their rail freight bill for 1973 was $727,640. There is another Duffy-Mott plant on the other branch of the Hojack line. Duffy-Mott must have service to at least one branch. It receives California prune juice for processing off season. They would have to close one of the plants if rail service was not retained. This would have serious impact on New York State agriculture. Aside from the importance of the plant, there would be one less market for apple growers.

These companies employ over 650 people, with a payroll in excess of $3,000,000—having an impact on the economy of about $12,000,000.

The stretch of track from Webster to Oswego (See #5 on map) which is comprised of all but about 15 miles of the 66 miles from Charlotte to Oswego, known as Hojack East, serves 35 agricultural and agriculturally related industries. This line is critically important to the food processing industry. There are more than 15 major processors on this route. It also serves several cold storage plants and brings in fertilizer, chemicals, seed and feed. The agricultural companies on this route employ approximately 3,000 people with a payroll of approximately $10,000,000—having an impact on the economy of about $40,000,000.

For the 50 miles of track from Webster to Oswego the railroad use for agriculture alone in 1973 was 35 cars per mile which conforms with the 34-carload per mile per year figure used as a criteria for viability by ICC. Since this is rail use for agriculture alone, there should be no question about the retention of this stretch of railroad.

The agricultural map shows that, for whatever reason, existing railroad lines correlate closely with production areas. Before we tamper with this existing relationship we must understand its symbiotic nature. Industry in general, and agriculture in particular, presently require the railroads to transport heavy high-bulk commodities. Feed, grains and fertilizers, the most important of farm inputs, are most economically carried by rail.

At the New York State Food Conference which I convened on May 15th there were many comments from the leaders in the agricultural industry who met about the cost of farming and how increases in these costs were making it difficult for a farmer to stay in business.

The increased transportation costs caused by rail abandonments will further drive the farmers off their land. Impact would be felt with the ensuing decreased availability of fresh food products, high consumer prices, welfare and unemployment costs. As agricultural industries go out of business they affect other businesses which thrive because of their presence. Thus, we face both direct and indirect unemployment when we abandon rails affecting our industries.

How then do we tackle the branch line problem? We believe that branch line management and service have not kept pace with the changing marketing conditions and practices. When we examine the problem we must look to this as a criteria, not to the loss of money as the criteria.

In many cases, the problem can be solved by directing management attention to the operating cost and revenue difficulties. Dumping branch lines is not the answer. The U.S. Railway Association apparently disagrees. USRA has bent over backwards to preserve service to fossil fuel producing areas. We agree that this natural resource must be provided adequate transportation from the production areas to the consuming areas. We feel even more strongly that the most important resource, FOOD, should be afforded the same high priority.

The method of evaluating individual branch line profitability includes the possibility of increasing revenue and/or decreasing costs. The rail service continuation subsidy mechanism (under the RRR Act) gives us an additional two years to get railroad management on the ball as far as branch lines are concerned.

Some branch lines may be receiving too much service and many may not be getting enough. In other words, changes are possible. More cars, reduced service frequency, smaller train crews are examples. Before any branch is abandoned careful answers must be formulated to such questions as: What roadways and bridges would have to serve if rails were abandoned? Will the frost levels of the roads permit their use as a substitute for the rails? What cost difference would there be? How would these cost differences affect the industry? What commodities do not lend themselves to transportation by roads even if the cost factor were not a problem? Should government compensate for lost rail service?

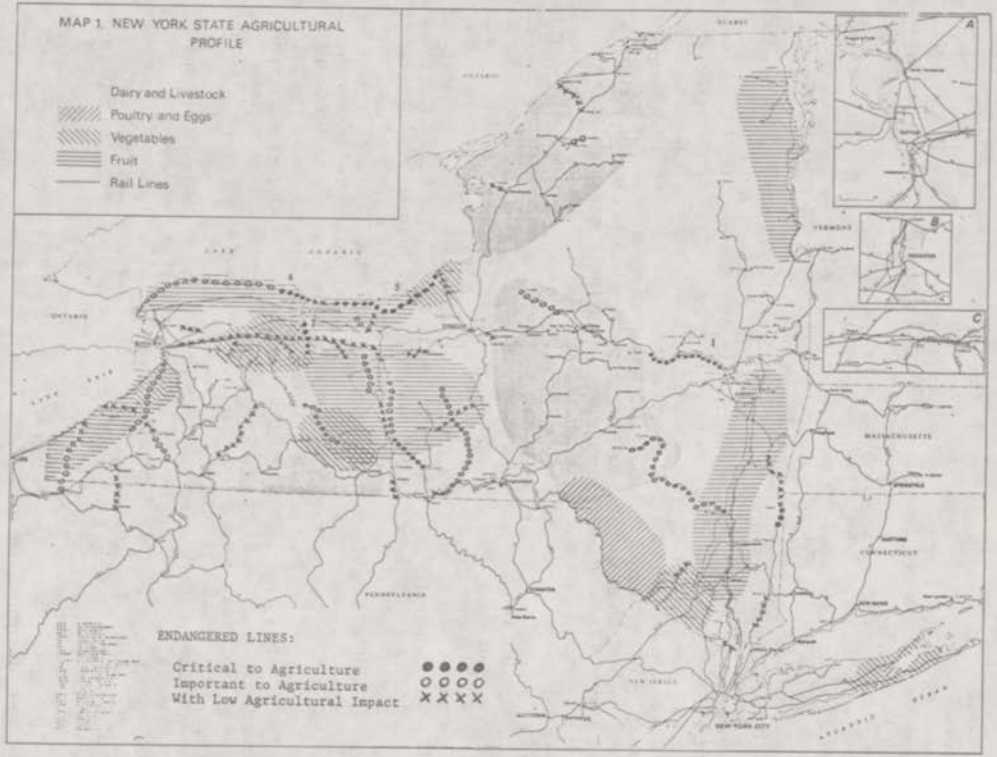
The concept of compensation can be used to make lines viable. Compensation must be utilized in the most positive sense. For example, to bring additional users to a needed but endangered rail line; to make the rails safer and more serviceable; to help keep businesses operational in cases in which this is feasible; to investigate, urge and aid establishment of "new" means of transportation such as the slurry pipeline to bring in fertilizer ingredients and to aid in the establishment of truck rail distribution systems where feasible.

Each of these situations must be examined with care. On some lines the only approach can be to make a line "work." The West Shore Line provides an excellent example of this. Moving the Beech-Nut plant would create havoc with the farms along that line whose production is used to supply Beech-Nut.

Compensation should provide the means to improve, where possible, in a way which would create eventually self-sustaining and healthly lines.

Since it is not generally realized that agriculture is New York's number one industry, there has been a cavalier attitude about the lines which serve it. But these lines are agriculture's life lines.

I appreciate the work the Subcommittee on Transportation of the Senate Public Works Commission is doing for the purpose of developing a strong rural transportation program and trust that we can work together to preserve rails necessary for the economic health of New York State.


MAP 1. NEW YORK STATE AGRICULTURAL PROFILE
Dairy and Livestock
Poultry and Eggs
Vegetables
Fruit
Rail Lines
ENDANGERED LINES:
Critical to Agriculture
Important to Agriculture
With Low Agricultural Impact
A
B
C

STATEMENT OF RICHARD MCGUIRE, PRESIDENT, NEW YORK FARM BUREAU

My name is Richard McGuire and I am a dairy farmer from Cambridge, New York. As President of the New York Farm Bureau, I represent the 17,800 farm family members of the organization, producers of every agricultural commodity produced in this state.

We in New York, as you are perhaps aware, are being faced with several rather serious problems relating to transportation. One of these problems, highly publicized in recent months, is the railroad situation. The major railroads of the Northeast have been declared bankrupt, leaving the future of many rural communities in doubt. The United States Railway Association has labeled several hundred miles of railroads in New York "potentially excess," adding further to the concern of farmers who depend on railroads for feed, fertilizer, and other necessary commodities.

Farm Bureau members feel that it is not necessary to maintain every single mile of rail lines now in existence. Rather, they prefer that rail lines which closely parallel other lines or which are economically unfeasible be abandoned. On the other hand, a rail line which may not be financially self-supporting in itself may well be worth maintaining if it prevents or reduces excessive use of other forms of transportation or contributes to the overall efficiency of the rail system. Wanton abandonment of rail lines in rural areas of New York would undoubtedly have an adverse effect on the agricultural industry.

An obvious and natural result of a decrease in rail service availability and/or convenience is an increase in the use of other modes of transportation, principally the highway system. In a great many areas of the state, existing roads and highways would prove to be an expensive and difficult, if not totally impossible, means of transporting agricultural products. Many rural roads are unpaved, narrow, poorly marked, and winding. In addition, railroad crossings on rural roads are often unmarked, and bridges are apt to be outmoded, inadequate, and unsafe for heavily loaded trucks. The increasing costs of trucks, drivers, gasoline, and maintenance represents an additional cost of production to farmers who, in many cases, can barely afford to continue in agriculture and also to consumers who believe that food costs are already too high. In general, it seems that rural roads would be unable to accommodate greatly increased traffic loads in the event that rural rail service was discontinued or greatly reduced. From the agricultural point of view, it might be added that the emphasis on urban and suburban transportation problems, although important, represents an unfortunate misdirection of attention and funds. The highway situation in rural areas of New York and the nation desperately needs to be reassessed and positive steps need to be taken especially as it relates to maintenance of existing highways.

President Ford took one step to upgrade roads when he released $2 billion of the $11 billion in impounded highway funds. These are federal-aid matching funds, however, to be used for the improvement of federal or state-aid highway systems. The upkeep of the majority of rural roads is the responsibility of county and local governments which, in many cases, are hardly able to maintain rural roads as they presently exist. This presents a formidable problem considering the fact that, of over three million miles of rural roads in the United States, the deteriorating condition of about 82% present problems to the people who use them. In general, these roads are inadequate and the funds provided by state aid and local assessments are not sufficient to provide for much more than simple maintenance activities.

Also of concern to New York farmers is the "Vermont Decision" which is being debated in the legislature at the current time. The decision of the Second Circuit Court to place full responsibility for developing environmental impact statements on the federal government rather than the state governments is delaying funding, and therefore completion, of several highway projects. Over 70 projects in New York alone are subject to injunctions pending a final decision.

It should be noted, for the record, that the transportation of agricultural products by water, with the exception of some grain for export and a few inputs such as oil, is of relatively minor importance in New York. The use of rail and highway transportation is the more commonly used method, particularly in winter when the New York State Barge Canal is closed due to freezing.

If agriculture is to continue as the number one industry of New York State and the nation, the transportation of agricultural commodities from farm to marketplace and the transportation of farm inputs must be safeguarded. In order to assure consumers of agricultural products in this country and the world of

high-quality, nutritious food at reasonable prices, the transportation of that food must be safe, efficient, and economical. This is particularly important in New York State due to the extreme perishability of a great many agricultural commodities produced here.

Farmers are willing to pay their fair share of the cost of this transportation because it plays a vital role in their ability to grow, harvest, and market the much-needed commodities they produce.

I very much appreciate this opportunity to comment on this most important matter.

Senator BENTSEN. Our next witness is the Honorable Robert Gardner, mayor of Wellsville, N.Y. Mayor Gardner is the former president of the New York State Conference of Mayors.

STATEMENT OF ROBERT GARDNER, MAYOR, WELLSVILLE, N.Y.

Mr. GARDNER. We are very pleased to have you, sir. You traveled all the way from Texas.

Senator BENTSEN. I traveled all the way from Washington up here.

Mr. GARDNER. I have a daughter that lives in Amarillo, Tex.

Senator BENTSEN. She must be a lovely girl.

Mr. GARDNER. She is. I would say I have this testimony of which 50 copies have been distributed. I am going to depart from that and talk to you about the problems as I see them.

I think I might compare, for instance, Amarillo, Tex., and their Santa Fe situation to Wellsville, N.Y.

I know what would happen to Amarillo, if they didn't have the Santa Fe. I know what will happen to Wellsville and if something happened to Erie Lackawanna, which appears very possible.

The section of the State that I come from, Senator, for your information, is one of the most rural sections of New York. It is at the extreme southwestern corner. The population of the five counties that comprise the southern tier area is approximately 500,000.

Of that number, a goodly percentage would be involved directly in agriculture, either as farmers or as suppliers.

Agway employs this sort of thing. The product which has been already discussed by the distinguished gentleman that preceded me, they have made the case for the bulk shipments of the grain and fertilizer, this sort of thing. I think there is no question. It can be certainly substantiated that the most economic method of transporting agricultural products is by rail.

There are and have been for years a number of sideline feeder lines, if you want to call them that, and switching areas located adjacent to and off the main line. We are talking about the Penn Central, Erie Lackawanna or any other railroads that serve the state of New York. I think I am going to be talking about the entire state.

As you mentioned, I am the immediate past president of the conference, representing all of the cities and villages in the State of New York.

I went to the mayor's conference on March 5, 1974, at which time they recommended that all the existing rail lines in the State be preserved and that no lines be abandoned in the new feasible rail system. I think one thing I haven't heard anybody mention

although I came in a little late, railroad systems that are still in operation are the ones that were apparently economically feasible up until the present crunch, the impact counties.

There has been a number of railroad lines in my area and throughout the entire State of New York that have been abandoned throughout the past year, since the turn of the century that have been gone for strictly economic reasons. We now find that the railroads that are left have, up until the past few years, survived on their own merit. I think it has been mentioned by previous testimony, concern for subsidy, some talking over the track, this sort of thing.

I would wholeheartedly agree that some form of a subsidy at least to the short haul is a necessity. I feel that in the national interest, security of the country there is a precedent established in World War II or after World War II, the Congress appropriated millions of dollars to put the Merchant Marine fleet in mothballs, so to speak, expecting that at some future time in the national interest it might be necessary to resurrect that large number of merchant ships.

I know also the Federal Government has seen fit to purchase and put into reserve large areas that are potential or that are known oil reserves. This, again, is in the interest of the national security. I feel that the present energy crisis we are confronted with and all of the testimony from experts that this country has unlimited supplies of coal and very limited supplies of oil that eventually and in the not too distant future, the rail lines are going to be needed more in the transportation of coal.

There are already incentives being offered by the Federal Government in industry to convert this coal. It is going to be rather tragic if in the process of converting to a coal-based economy, the rail lines are permitted to go down the drain.

Senator BENTSEN. Let me ask you this. You mentioned in your prepared statement that several industries in your area will have to close down and move elsewhere if you lose rail service. You have hard evidence of that or is that some pretty enthusiastic rhetoric?

Mr. GARDNER. No, Sir, that is a fact. The one industry I specifically mentioned in the testimony was the Arby Corporation which employs approximately 1,500 people. It is the largest industry in our country. We employ in a three-county area in Pennsylvania, and a three-county area in New York State.

Their products, the basic steel comes in by rail. It is about the only way they can get it economically.

Senator BENTSEN. Why is that so? Why can't they bring it in at cost?

Mr. GARDNER. Cost depends on the size of the shipments and the rolls of steel. The plate would require very special equipment that a normal truck would not be able to haul. It would require special permits to haul it. The product they manufacture goes out by rail and it goes, for instance, if it was to be delivered in Texas, it would go to Jersey Terminal on the Erie and then by water—or to Pittsburgh and then again by water.

This, again, is coal-based, is a preheater that is used to save coal in large heating operations or glass or whatever. They have the management of that corporation. Combustion Engineering has flatly announced that if rail service is no longer available to Wellsville

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they will be forced to move and they will move out of the State of New York, elsewhere.

Senator BENTSEN. Are you finding in your area what I read here in the front page of the New York Times about people beginning to move into the smaller towns and rural areas? Is that happening to your county or not?

Mr. GARDNER. Sir, one thing we can say from western New York, the part I come from it is probably the most isolated section of New York State. The southern tier expressway is just completed. It isn't all the way. It goes as far as Olean, N.Y., from New York City. This was thought to be a great boon which it is, to the area.

North and south highway connections are very poor. The only main artery that transverses the entire region is the Erie Lackawanna Railroad. The whole growth of our area was predicated on the railroad. We find that at this time there aren't too many people coming into our particular area because they don't know where it is or how to get there.

There used to be with rail service all the trains stopped at Wellsville. Generally, people had some idea. Now the new Southern Tier Expressway was constructed with the nearest access 12 miles from Wellsville. No longer are people passing from Route 17 which used to be the main street of our fair village. They are several miles away. I don't think we have to worry too much unless the fortunate person who passes by may decide to retire there.

We aren't bothered with the problems of urban New York State or urban problems at this time.

Senator BENTSEN. These States are arguing they should be given more control of the expenditure rather than Federal Government. Would you rather deal with Albany or with Washington?

Mr. GARDNER. That is a hard question to answer. I think I have had a good relationship with both the State and Federal Government in the matter of grants. Certainly, the Federal Government is more generous in allocating funds than the State government. But I would say that I support the concept of the previous testimony that the Federal Government might well consider taking over the rail beds. The ones that are obviously scheduled for abandonment, I think at the very least, should be put in some type of land bank similar to the soil bank for at least a period of 10 more years before the rails are torn up.

I think in this very unique situation wherein, energywise, it failed to at least hold on to what we have got for a modular period of time and see what is coming out. There may be some new development in the energy field. I am very concerned about that. I am sure everybody in Washington shares our concern. I would say, sir, there has been too much comment about bridges and roads. But our experience that we have a certain number of rail sitings as I mentioned earlier in the connections between those rail sitings and the rural areas are poor. The bridges particularly have been mentioned.

Senator BENTSEN. Has that given you a problem in the transportation of products?

Mr. GARDNER. Yes, sir. We have had several incidents in the past 2 to 3 years. I have one particularly I recall where a line truck collapsed a major bridge, at least it was major to the people that resided

in that community. That bridge was the only connection they had from one side of a major stream to the other.

They had to go several miles up or downstream to cross after that bridge collapsed. The trucker went bankrupt. His insurance barely covered the tearing down of the old bridge and the county was stuck with replacing a sizable bridge. Of course it took a couple of years.

We have had several other town bridges that have collapsed from overloading on agricultural loads. It just is impractical. In the previous testimony he mentioned pickup trucks. I say probably 1½-ton or 2-ton truck is the most you can get on the secondary roads in New York State.

Senator BENTSEN. Mr. Mayor, we will take your testimony in full and appreciate the addendum you made to it. Thank you very much.

Mr. GARDNER. I did suggest some alternatives, sir, as you noticed.

Senator BENTSEN. Yes, I did. Thank you very much.

[Mr. Gardner's statement follows:]

STATEMENT OF HON. ROBERT G. GARDNER, MAYOR, VILLAGE OF WELLSVILLE, N.Y.

This is the statement of Mayor Robert G. Gardner of the Village of Wellsville, New York, immediate past president of the New York State Conference of Mayors to the United States Senate committee on Public Works subcommittee on Transportation.

My name is Robert Gardner. I am the Mayor of the Village of Wellsville, New York, a community of approximately 6,000 situated in the Appalachian Foothills of South Western New York, approximately 10 miles from the Pennsylvania border, in rural Allegany County. The combined population of Chemung County, Steuben County, Allegany County, Cattaraugus County and Chautauqua County is approximately 500,000 people, of which approximately 115,000 are gainfully employed. Approximately 50% of that number are employed in manufacturing industries. These manufacturing industries as well as other industries rely heavily on the Erie Lackawanna Railroad for the delivery of raw materials to their plants and then for shipment of the finished products to various market places throughout the country and the entire world.

The median per capita income of the five counties comprising of the 39th Congressional District is lower than the median per capita income of New York State as a whole. The per capita income in this area is $2,727 as compared with $3,500 for the State of New York. The median family income for this area is $8,936 as compared with $10,609 for the State of New York. Nearly 9% of the people residing in this area have incomes below the Federal Poverty Level Guidelines and when compared with other congressional districts through New York State, the 39th Congressional District ranks 35th in comparative per capita income. These five counties are already classed as economically deprived areas by the Appalachia Regional Commission. The Southern Tier has traditionally been isolated because of poor transportation. In the past several years we have viewed the future with renewed optimism based on the fact the Southern Tier Expressway would be completed to provide a corridor from one end of the state to the other. We recognize that the Erie Lackawanna Railroad was experiencing financial difficulties, but were hopeful that congress and others involved would recognize that the tracks along the Southern Tier are in a far better state than the tracks owned by Penn/Central and others. The road-bed is particularly capable of handling many of the high loads and wide loads shipped by manufacturers throughout the Northeast as well as the entire country. We are also mindful of the fact that this line is the shortest distance between New York and Chicago. The current energy crisis brought visions of increased railroad activity and a new prosperity as a result of this activity. The Northeast Railroad Reorganization Act of 1973 shattered these visions and hopes, and instead has replaced them with a growing concern about the future of our Village and the entire Southern Tier.

In view of the commitment of the Federal Government to expend between 250 and 300 million dollars to reopen the Suez Canal for the Egyptian Government, whose support of our nation has been less than enthusiastic, it would appear that

a similar effort to save the failing railroads of our nation would be a much more popular and economically defensible expenditure of the taxpayers' money. We have expended billions of dollars throughout this world to restore defeated enemy nations to industrial productivity that now rivals our own. We have underwritten transportation improvements in all the under-developed nations of the world and in many instances received the back of the hand in payment.

It is in the best interest of the future growth and well being of the United States that as much of the present network of railroads in this country as possible be preserved even if it requires a large federal subsidy.

The Conference of Mayors is the official state-wide association of cities and villages. It is supported directly by member municipalities which, at present, constitute 464 cities and villages.

At a hearing conducted on March 5, 1974, we recommended that all existing rail lines in New York State be preserved and that no lines be abandoned in the development of a new purportedly "Economically Feasible" rail system.

Commissioner Schuler and Governor Carey have at this hearing and in previous statements offered sufficient evidence, in our opinion, to justify the continuation of existing rail facilities in New York State.

We will not direct our remarks to their previous public comments pertaining to the adverse effect upon industry in New York State that would result from the elimination of competing rail systems. It is sufficient that we note that their observations, in our opinion. are correct.

The Conference of Mayors completed a survey of public officials representing local governments in areas where the proposed plan would, if accepted, result in a discontinuance of rail service.

It is obvious to us that jobs and industry would be lost to New York State from the discontinuance of branch lines as proposed. If one industry on a branch line is adversely affected in a given geographic area and must close, such closing could have an adverse effect upon another industry in the same area but on a line that is presently recognized as profitable. The domino effect could be that the line recognized as profitable could possibly become less profitable if the branch line industry closed.

For example, the discontinuation of a food processing plant, because of a loss of rail services, could adversely affect a cement plant on a continued line because of a lack of area demand for cement for housing, roads, and other related commercial needs.

We stress that the diminishing of employment opportunities and the cutting back on agricultural and industrial activities in a given area will adversely affect those other areas that are more economically robust and, therefore, entitled to continued rail service.

The evidence presented by State Officials proves that New York State rail lines justify their continuance in terms of economic criteria established by the Federal Government.

However, it does not appear to us that a proper overall approach to the national transportation needs has been set forth in the United States Railway Association's Preliminary System Plan.

We should not, as a national policy, determine that the national interests will be promoted by the removal of *any* existing arteries of travel. Instead, there should be a recognition of the fact that the existence of all rail lines contributes to continued and potential growth, economic strength and the improvement of our social climate.

Even if a national subsidy for a short period is necessary to prevent the dismembering of our rail system, then in the light of the energy shortage alone that subsidy should be considered.

For example, there is a relationship between international balance of payments and our ability to supply the world markets with the results of our agricultural technology. Maintaining a healthy international balance of payments is in the national interest.

It assures the soundness of the dollar. Energy costs have adversely affected our international balance of payments. The role the railroad plays in producing cheap, abundant food supplies at dockside for export is well known. Some of the routes to be discontinued contribute to economical agricultural productivity. The fact should be considered when determining the nation's interest in keeping intact those routes in agricultural areas.

We submit that the national planning effort should be designed to utilize to a greater degree those rail facilities that are presently in existence and not utilized to their fullest capacity.

National efforts should be made to encourage housing development and industry to be built around existing rail facilities.

The long range effect will be the diminishing of the need for new roads. There will be less reliance upon gasoline for commuting. Cleaner air will result and we will be assured of continued cheap transportation for even more industry.

Consideration should be given in any rail plan to the development of uses in accordance with a national program that strengthens the system while helping people meet other needs such as recreation. If efforts were made to develop new park and recreation facilities around rail transportation, and if there were some type of subsidy to encourage rail use, think of the effect on the week-end and summer vacationer. There would be: (1) Less road use, (2) less traffic accidents, (3) reduced cost of traffic patrol, (4) less traffic court cases, (5) less gasoline consumption, (6) less air pollution, (7) more utilization of existing rail, (8) more use of under-utilized land near centers of population, (9) greater utilization of commuter facilities that lie idle on weekends and holidays, and (10) greater opportunity to develop more elaborate recreational facilities because of assured continued full use.

We stress these concepts because they are related potential uses of rail service that have a direct effect upon the well-being of the nation. Yet, they seem to be totally ignored in the rail plan. Potential full use and enjoyment under a more orderly planned use program must be considered before lines are abandoned and forever lost to the people.

As an example of how rail discontinuance will adversely effect a community, I would like to submit a portion of a letter that I received from the Mayor of Millerton. Millerton is located on a line that will have its freight service discontinued. The Mayor states:

"First, Agway, Inc. has both feed and fertilizer plants in Millerton and a feed plant at Sharon Station. The feed plant in Millerton handles on the average about 30 boxcar loads of feed annually while the fertilizer plant averages about 45 carloads annually. Their plant at Sharon Station averages approximately 250 carloads per year. The total number of employees of all three plants is sixteen. Several comparisons are in order regarding the rail service as opposed to transporting these commodities by truck. Mr. Hank Devries, the Manager of the fertilizer plant said that each car of fertilizer could not be trucked feasibly, e.g. one railroad carload of potash brings in about 100 tons and the rail fee for such a car is $2,500.00, while a truck can only carry about 20 tons and the trucking cost would be about the same as the product cost. About the same conclusion could be reached concerning their feed business. The termination of rail service would be economic disaster for them.

Secondly, Suburban Propane operates a large plant in our area and employs some 25 people. Mr. Al Piccirilli, the Traffic Supervisor gave me the following information. For the year 1972 the Millerton plant handled 47 jumbos. A jumbo is a railroad tank car with the capacity of 30,000 gallons which weighs approximately 138,000 lbs, when loaded with propane. The railroad fee for these cars in 1972 was between $800 and $900 per car. Because of the erratic service by rail, they had to bring in 68 transports (trucks) to cover their customer service. These transports carry about 8500 gallons it takes 2½ to 3 of them to equal a railroad tank car and the cost for such trucking averaged about $1.24 per gallon. A little simple arithmetic shows the prohibitive cost of trucking as opposed to the rail service. Mr. Piccirilli said that the plant at Millerton could not operate without railroad service.

Another large user of the railroad services in Millerton is Wayne Feeds. They bring in approximately 100 boxcar loads annually. These are loaded from a minimum of 25 tons to a maximum of 75 tons per car. In comparison a truck can carry about 18 to 20 tons per truckload. Their plant in Millerton employs 5 persons. The manager said that the cost for the occasional truckload of feed costs $7.00 to $8.00 more per ton than the railroad fee.

As you can see from the foregoing that most of Millerton's industries mentioned are completely dependent upon rail service and without it they could not operate. Termination of rail service for our community would spell the end of several businesses with their corresponding loss of jobs, taxes, and the economic stability they help to afford our community.

The plight of Millerton is typical of most of the rural cities and villages faced with the loss or curtailment of rail service.

In my own Village of Wellsville the principal employer is the Air Preheater Co., a subsidiary of Combustion Engineering Corp. Air Preheater employs 1500 persons from Allegany, Steuben and Cattauraugus counties in New York State and

Potter, Tioga, and McKean counties in Pennsylvania. This company alone accounts for over 900 rail cars a year. Their large fabricated steel products must be shipped by railroad and the steel is most economically delivered by rail. Without rail service this industrial backbone of our area would have to go elsewhere. The area economic effect is past my contemplation.

The local freight yard at Wellsville in addition to industrial and commercial car service provides a siding for agricultural carload shipments. This yard is typical of many small freight sidings and switch yards along the main lines and the branch lines. Carloads of grain, feed, dry and liquid fertilizers, lime and other products are placed on the local siding for transfer to trucks for distribution across a 300 square mile area. The condition of the secondary roads and the bridges on these roads limit the load capacity and size of the delivering trucks.

The reduction of the number of branch and main line carloading sidings increases the distances that these bulk agricultural products must be transported as well as increasing dramatically the price the farmer pays for the delivered products.

The need for a greatly inproved secondary highway system within the state becomes more evident as rail service diminishes. The cost of improving the literally thousands of substandard or condemned bridges on the farm to market roads will require a tremendous infusion of federal money if the rail system deterioration is allowed to continue.

Using figures provided by the Erie Lackawanna Freight Agent in Wellsville and the previous statement from Millerton as representative, it is obvious that agriculture provides a large percentage of railroad business and will require viable alternatives if the present trend of thinking concerning rail services continues.

The 1974 carloadings for Wellsville from April 1, 1974 thru April 1, 1975 were as follows:

Air Preheater Co., total cars year ending Apr. 1, 1975	902
Turbodyne Corp	12
Macler Industries	20
Jones Chemical	21
Mapes	27
Industries cars (902 Air Preheater)	962
Wellesville Water and Light	1
Collins Lumber Co	12
Friendship Dairy	2
Western Auto	2
Miscellaneous Comm	17
D. & L. Feed—Andover	65
Agway	2
Wayne Feed	1
Walt Babbitt (lime)	31
Hamilton-Genesee, Pa. (potatoes)	5
Hoza-Genesee, Pa. (potatoes)	5
Miscellaneous Agway	5
Agricultural (feed, lime, potatoes, mach.)	114
Wellsville freight yard Apr. 1, 1974 through Apr. 1, 1975	1,093

The bulk of these cars represent incoming industrial raw materials, steel plate, etc. The ourgoing cars contain mainly finished products representing the labors of hundreds of workers from the Appalachian region of New York State and Northern Pennsylvania.

We realize and appreciate the concern of your committee for alternates to the railroads and we support you in providing better roads and bridges to improve the transportation and supply system of this state and this nation.

The present interstate network of Federally financed jour lane highways should be tied into a grid of state highways with adequate access connecting to improved secondary roads capable of carrying heavy loads. One of the problems facing any new highway construction proposal is the adamant environmentalists opposition to any new project and the time required to legally and logically overcome these

objections. Another problem that faces us all whether we are building roads or buying gasoline for the trucks and autos that use the roads is the omnipresence oil shortage such a short drive ahead in time.

It would seem that, until some practical solution is developed to lessen the dependency of this nation on Arab oil, further abandonment of railroads should be viewed as a breach of national security. We have seen billions of dollars spent to mothball and preserve our Merchant Marine and Naval vessels to insure their availability in the event of war. Is it not as important to preserve the remaining network of the proven most efficient means of transporting large groups of people and goods, our Railroads!

The experts say we have oil reserves for about twenty years and coal reserves for over 300 years. We must move toward a coal oriented energy program without delay. Railroads offer the most economical means of moving coal from the mines to the factories and power plants. The technology of building efficient, non polluting coal powered locomotives has been available for years.

In conclusion and speaking as the municipal representative of upstate New York State I urge you distinguished Senators to continue to improve our highways but, please, don't let our Railroads go down the drain. We need them both now and in the future. Thank you. . . .

SUGGESTED ALTERNATIVES

Shippers Cooperative (piggy back, containers, bulk transfer facility).

(*a*) Proposed location in Jamestown area.

(*b*) Probable service radius of 65 miles.

(*c*) Area shippers would save at least 10% on freight bills (over trucking costs) by using cooperative facility.

(*d*) Site would require rail connection and warehouse for storage of truck trailers and containers.

(*e*) Current reports at national level indicate that "piggy back" alone has become less profitable to the railroad carriers; an integrated facility would provide for container handling as well as for transfer of large volume bulk commodities such as grain, coal and scrap metal.

Short Haul Operation (Using Class II/Railroad Carriers): Current study underway to develop feasibility of using short haul on selected branch lines continue local rail service in case of abandonment by main line carriers. Generally speaking, short haul may be able to service lines with 30 to 60 carloads per mile on at least a break even basis. More efficient operation is incurred through low overhead costs. As a "Local Solution", the short haul alternative may prove viable for portions of the Erie Lackawanna branch system and the Penn-Central branch system.

Because of large first instance costs (purchase and rehabilitation) on a line being converted to short haul, Federal and State assistance will be needed. Through the Rail Reorganization Act, monies are conceptually available for purchase of line segments by solvent carriers. By extending this privilege to responsible short haul carriers, local areas may be able to demonstrate in various instances that rail service can indeed be continued in a fashion that is more economical, less consumption of fuel and less polluting then the alternative of using truck transport.

Federal Reservation of Lines Scheduled for Abandonment.—Consideration should also be given to putting into a Federal "Land Bank" present railroads proposed for abandonment. Particularly, those that serve or connect with the coal fields or service potential large users of coal.

Senator BENTSEN. Our next witness is Mrs. Lettie Gay Carson.

STATEMENT OF LETTIE GAY CARSON, PRESIDENT, NORTHEAST TRANSPORTATION COALITION MILLERTON, N.Y.

Mrs. CARSON. I was very glad to hear the previous testimony because it corroborates a great deal of what I believe and have to say also. I will try not to be repetitive. I have material with which I can, I think, supplement, add to some of the remarks that were made earlier.

My name is Lettie Gay Carson. My address is Millerton, N.Y. I am president of the Northeast Transportation Coalition in which several thousand responsible, active citizen groups throughout the United States are cooperating for improved transportation planning at State and Federal levels of government.

I am coordinator of the New York State Transportation Council, again of citizen groups and the president of the Harlem Valley Transportation Association.

We recognize that all modes of transportation are necessary. But we also see that, because of massive government subsidies for highway and airport development, those modes which cause the most pollution and are costliest in energy use have been encouraged, while rail service which is practically pollution free and uses a fraction of the energy required by motor vehicles and airplanes has been allowed to deteriorate.

With no guidelines for a rational transportation system, special interests have been allowed to dominate government planning and funding. We have turned to technologies and transportation techniques which cannot serve the social and industrial needs of a great Nation—and which we can no longer support.

Now we are facing the consequences in relentless inflation, dwindling energy supplies, food shortages, increasing health problems caused by air, soil, and water pollution—and the virtual immobilization of large segments of our population.

I am asked to comment on the problems created by rail abandonments and the issues associated with rural transportation in New York State. Not wishing to duplicate what State officials may introduce into the record, I shall base my remarks mostly on my firsthand experience in a rural area that is served with diminishing effectiveness by the Harlem Division of Penn Central Railroad.

I live in a dairy-farming valley in upstate New York, about 100 miles north of New York City, in the Berkshire Hills which are a major recreational resource in the Northeast. The economy of the valley and adjacent areas developed as the rail line was extended north from New York City in the mid-19th century. An area which had only subsistence farming prior to the railroad has become one of the most efficient milk-producing areas in the United States, and several light industries dependent upon rail service have located in the valley. The railroad is the key to this prosperity.

The social and economic developments in the Harlem Valley are a microcosm of what has occurred in many other areas in this State. New York ranks third among other States in milk-production. But dairymen paid out 82 percent of their gross income for production expenses in 1973. Grain, purchased to feed milking cows, was the largest single expense—33 percent of the total.

You have heard about the cost of getting fertilizer to the farms. All of the commodities which farmers in the Northeast have to import are bulky and heavy—fertilizer, feed, farm machinery, and building materials. The same is true of the construction materials needed by several factories, the canned goods and staples delivered to a grocery supermarket warehouse, and the transformers which have to be moved from General Electric or other factories to utility substations in the New York metropolitan area—and returned again for necessary repairs.

These materials can be moved economically by rail but the cost for trucking would be prohibitive and, in numerous instances, trucking simply cannot do the job. Certain products are restricted from highways because of chemical instability or because of bulk and weight.

There is a factory on a rail line, not the Harlem, but in our general region, that the process is ethylene oxide to distribute to hospitals all over the Nation—it is used for sterilizing plastic utensils. It cannot be moved by highways.

The transformers, essential for Consolidated Edison, Company, Inc., one of the largest public utilities in the United States, for example, can be moved only on a "high-and-wide" line like the Harlem division——

Senator BENTSEN. What does that mean a high-and-wide line?

Mrs. CARSON. It can move cargo practically of any height or width.

Senator BENTSEN. Are there any specific lines that can do that and others that can't?

Mrs. CARSON. Yes. There are lines for high and wide. That means there are no tunnels, no clearance problems either on top, below, or on the side. These transformers weigh—they come in different sizes; but there is one right now that Con-Ed would like to buy. It would cost half a million dollars. They would buy this and have it onhand as a spare down at the substation of southern Westchester County to possibly prevent blackouts in New York City.

They can't get in there because of the condition of our tracks. They are too weak. This transformer weighs 6,000 to 8,000 pounds.

It is very high. I have photographs showing that transformer moving on flatbed cars through the village of Chatham. The light is up at the second story window. Down in the metropolitan area there are low bridges and also tunnels in which is a suburb of New York City. That is an area where many people have taken up property, bought second homes, then winterized them and then began to live there; which is the case of my husband and myself. We bought our house in 1925. It was a mile from the railroad. We could walk from the train to our house because we had no car.

The railroad has been a major influence in our developing a home there. This has been true of many people. Many professional people. My husband is an author. But many others, artists, designers, architects, prefer to live in the country to do their work. But New York is the marketplace and they are badly affected now by the cut-off of passenger service.

Excellent rail passenger service once made possible a cultural exchange with New York City. This had beneficial effects on the city's economy as well as to the visitors who, up until 1972, had all-weather transportation via the Harlem division.

As a result of termination of passenger service under the Rail Passenger Service Act of 1970, hundreds of people living in the tri-state area of western Massachusetts and Connecticut and eastern New York State, must either drive long distances or give up recreational and cultural associations in the metropolitan area.

A clean-cut separation of urban and rural transportation needs is not sound. New York City, or any large city, is a better place in which to live and work if the people can get away to the mountains

or farming areas for relaxation and a change of pace. Thousands are doing just that. They pour out of cities for weekends and holidays in rural surroundings.

Mostly, this exodus and return is accomplished by automobile—faut de mieux. The greenbelts so desirable in the vicinity of metropolitan regions are being replaced by concrete parking lots.

What happens upstate, 100 or more miles north of the city, has consequences down there in respect to the movement of freight as well as of passengers. Recognition of this interrelation of urban and rural needs was seen in the action of the States of New York, Pennsylvania, Massachusetts, and Connecticut which, with the city of New York, joined the Harlem Valley Transportation Association, a Millerton-based citizens group, as amicus curiae in protest against the Interstate Commerce Commission position in our lawsuit to prevent further abandonments of rail lines.

And, in the recent round of hearings before the Rail Services Planning Office, planning commissioners of several mid-Hudson counties and of New York City, spoke in behalf of saving the Harlem Division as the only alternate route for freight and passenger service leading north out of New York City.

Amtrak routes of intermediate length between densely populated centers and recreational areas are greatly needed.

Senator Javits has introduced measures for the increase of short Amtrak routes in recent legislation, according to a news release I have received.

Damage to the physical environment caused by rural rail abandonments may not be immediately visible in the rural area. But the impact on the economy and on the tax structure will be swift and lethal in any farming area.

Loss of rail service will increase the cost of grain due to higher trucking and transfer charges as much as $25 per ton. This was a figure that I got out of an Agway report.

This means that for the average size dairyman the increased cost of truck transportation would range up to as much as $1,100 per year and leave him with an income of less than $5,000 for family living.

The ripple effect of loss of rail service and further statistical data on the dairy industry is included in the attached statement by Chester W. Smith, economist, with the Northeast Dairy Cooperative Federation, Inc.

It is not necessary to be an economist to anticipate that, with the loss of rail service, farmers will, of necessity, go out of business. The small industries which are dependent upon rail service for supplies will move to main-line locations and quite possibly to another State.

What can happen in the Harlem Valley is that the rolling farmland which now provides a stable tax structure and greatly valued open space near a vast metropolitan area may well end up, as gravel quarries to meet the needs, ironically, of highway construction.

The terrain there is filled with moraines, glacial deposits. Where you can't farm it, it is being sought after constantly for gravel by the quarriers to supply the highway builders.

Citizen groups, local and county governments are organizing to try to prevent this disaster to our economy and to a traditionally sound way of life. But the local goal of saving, restoring and improving rail

service is caught up in the national drift toward rail chaos because of oil and highway politics.

Two recent government bulletins—Effects of the Proposed Northeast-Midwest Rail Reorganization on Rural Areas, March 24, 1975, prepared by Economic Research Service, U.S. Department of Agriculture, in cooperation with Agricultural Marketing Service, USDA, and Federal Railroad Administration, U.S. Department of Transportation. Prelude to Legislation To Solve the Growing Crisis in Rural Transportation, February 10, 1975. Part I: Transportation in Rural America, prepared by Economic Research Service, USDA. Part II: Meeting Rural Transportation Needs, prepared by National Area Development Institute. Both bulletins prepared for the U.S. Senate Committee on Agriculture and Forestry—purport to deal with transportation needs in rural America.

The point of view expressed in this material indicates complete lack of concern with the effects of rail abandonment and, in apparent justification of the official attitude, reports that in many localities rail abandonments have not been protested. I know a little bit about that.

But I submit that failure to protest an abandonment can simply mean that no one knew of the threat. Abandonment procedures have been undertaken quietly, one at a time, and in widely separate communities. There has been no opportunity for statewide or regional protest of these separate actions.

Notices of individual abandonments, required by law to be published in the Federal Register and in community newspapers, are seldom seen. The Federal Register is simply a pro forma notice and coverage by the news media is spotty. It doesn't circulate much even in Washington, I think.

When Penn Central applied to abandon a segment of the Harlem division in 1972, no notices of any kind, published or posted, were seen.

I learned of the threat through indirect channels and was able to organize opposition to this disastrous development.

Over a period of 3 months I wrote three letters to Robert Oslow requesting a public hearing on the Penn Central application to abandon our line. I had no answer until I wrote to Senators Javits and Buckley and asked them to intercede, which they did.

Then ICC reluctantly said, "We will hold a hearing and let you know the date which it will be held." Then I wrote a letter asking them if they wrote an environmental impact study of the action. I was told in rather extensive correspondence on this point that they didn't have to conduct environmental impact studies, that their procedures didn't require that.

I think that the law is the law and it applies to everybody. Fortunately, the judge at the U.S. district court and later in the court of appeals took the same position.

My reaction to the point of view expressed in these publications of the Government Printing Office is that, if the Federal Government wishes to eliminate the small family farm and turn over food production to what the USDA calls "superfarms" or the agribusiness, here is justification for just that. Abandonment of rail lines will certainly expedite this process.

Due to the efforts of the Harlem Valley Transportation Association, the tracks are still in place on our line but we have already paid heavily for the steadily deteriorating rail freight service, slow orders and the uncertainty as to the future of our railroad.

Circuitous routing introduced by New York Central in 1971 has effectively driven away a great deal of the business along the line. Following that date, the freight train had to go from Selkirk, near Albany, down to New York City, the West 72d Street yards, where it was classified to Brewster over heavily traveled commuting lines.

Then it was made again to serve the freight users north of Brewster but the train only went as far as Millerton, 6 days a week. Once a month it went as far as Chatham. So that the freight users north of Millerton, that 30-mile segment north of Millerton had once-a-month service instead of 6 days a week.

Everybody, of course, who could turn to trucking did, a few of the ones that are left are the last of the Mohicans. They simply cannot manage without rail freight service.

In the case of one of these dealers, Ed Harrington, Inc., he is a building construction dealer. He handles practically everything the farmers and housebuilders have to use. If he loses his siting he will have to truck material from Albany. There will be other nearer railheads but he has to have special equipment, mechanical devices for handling much of the material which comes in such big packages that it cannot be handled manually. It would be very expensive in time and help if he has to truck it. I doubt if he will make it.

Several businesses have modified practices and production schedules. About one-third of the cars ordered by freight users on the line fail to arrive. It should be noted that U.S. Rail Association determines the "profitability" of a rail line and others by the number of freight cars in and out.

Our train often goes 5 miles an hour or less when it is pulling just several cars. I can see it from my front windows. I can estimate what is happening and what the loads are.

There is no credit for the cars ordered but not delivered. Consolidated Edison is eager to spend one-half-million dollars just for a spare converter to have on location in case of need—possibly to prevent a blackout. But, now, because of deferred track maintenance, this equipment is not permitted on the rail line.

Small towns and rural communities which to a great extent exist to serve the sorrounding farms would quickly reflect any change in the farm economy brought on by loss of rail service. In fact, the tax structure of the counties and States will all be affected. Transportation patterns have a tremendous impact on rural communities.

A small town can be a delightful haven to escape to from the city's violence; a pleasant place in which to grow up and live. Or, it can be a prison in which there are no cultural, educational, or economic opportunities. Some form of public transportation, rail passenger or bus service, is needed but usually lacking.

Of what value are the community colleges in nearly every county in this State if there is no public transportation for the children of poor families who live 40 miles from the campus? The percentage of households who are finally unable to own and operate a private automobile is more than 11 percent in some rural communities. Without

public transportation, these people are automatically members of the unemployed. A man or woman cannot look for work or hold a job without transportation.

State institutions are frequently located in rural areas because of cheap real estate. If they are on a rail line, coal, the cheapest fuel, can be used for heating and power.

If there is public transportation, the institutions can attract workers from a wide area; visitors can easily reach the hospitals and schools. Otherwise, hiring is limited to those who live nearby and can drive and maintain a private car. Visitations of family and friends, of therapeutic value, are severely limited.

The need for public transportation in rural areas is most keenly felt by the old, the poor, the very young, the handicapped—all of whom are immobilized unless they have access to a private automobile. To meet this situation, Dutchess and other counties are moving toward a responsive bus system which is described in an attachment.

I have single reports of several counties and what they are doing, Cayuga County, and two reports on the Catskill area, Catskill mountain area, and on others on the mid-Hudson area, in particular, Dutchess County.

The story you saw in the paper this morning is the third. I have the other two here. If you would like to see them I would be glad to have them copied for you.

For perhaps the first time in the history of this country, Census Bureau surveys show a shift of population from cities to rural communities. Small towns are growing faster than metropolitan areas. This change can be a healthy one if a stable economy with jobs can be developed in the rural areas. This in turn, hinges upon the availability of dependable rail service which is essential for most kinds of farming and industries.

I am asked to make suggestions for alternatives to rail service and for the structure of future Federal-aid programs to rural areas. My answer, without equivocation, is that for the New England and other northeastern States with rolling terrain, narrow valleys between mountain ridges—and an area of dense population throughout—there is no substitute for railroads. We have already lost too many of them.

Our highways are narrow and winding, inadquate for the freight car size trucks and buses they now carry. I have data out of the Public Works Bureau that shows that one interstate truck of 72,000 pounds causes more damage to high quality pavement than 6,000 automobiles.

When these trucks get on secondary roads and town roads, they just wreck them. You can see on a hot day in summer after one of these big trucks goes through a country road, you can just actually see a rut that has been caused by that. Then, of course, that cracks and opens up and it is very expensive to maintain.

But, new, wider highways which would chop up our farms and bury more precious land beneath pavement are not in the public interest and will be vigorously opposed.

New York already has 2.2 miles of highway for every square mile of land. More highways are not only not needed, they are detrimental to the physical environment and to the economy.

Further, we are keenly aware of the staggering cost of highway maintenance, usually the biggest item along with the school bill, in a rural town budget. The benefits of the Interstate Highway System provided on the 90–10 formula from the Highway Trust Fund seem illusory as the States and local communities are taxed to pay for the upkeep—a charge that can equal the original cost every 10 years, according to Tom Tabor, who is a member of the Regional State Planning Commission.

A viable rail system is essential in meeting rural transportation needs. Through restoration of our rail system, our Government can simultaneously solve the problems of inflation, the energy situation and much unemployment. Rebuilding the rail lines would help reduce pollution of air, soil and water—and lead to thousands of permanent jobs in industries that depend on rail service.

Urgently needed is a national transportation policy for a national transportation system in balance between all modes and consistent with prospective energy resources. The U.S. Department of Transportation was established in 1966 to provide a national transportation plan but, so far, this has not been forthcoming.

We should have a Federal transportation budget so that plans can be carried out without having to wait for piddling handouts from Congress on each project. Funding for rails should be on parity with what highways had had and, until the energy situation is fully assessed, there should be a moratorium on all new highway construction.

In our view, the need for an interstate rail system is far greater than for an interstate highway system unless we want this Nation to become a fourth or fifth rate industrial power.

And, of the most urgent importance, immediate rehabilitation of our roadbeds is essential. If we have to wait 8, 10 years as indicated in the USRA timetable for ConRail to rebuild the branch lines, the trains and the economy in rural areas will have come to a standstill.

In closing I would like to record on the lines of the following, which reached me too late to incorporate in my prepared statement. The results of this nationwide study made in January 1974, shows overwhelming public support for all kinds of rail service. Not only does the majority favor more support but the ratios for more support as opposed to less are impressive; 10 to 1 in the case of long distance freight railroads, 140 to 1 in the case of long distance passenger railroads.

I wish this could be brought to the officials in USDOT.

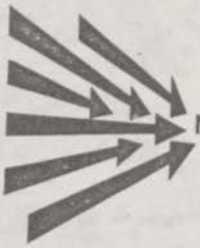
Thank you for permitting me to address this Committee on Public Works in behalf of the concerned citizens throughout the United States.

Senator BENTSEN. Mrs. Carson, we are very pleased with your testimony. It has gone into substantial detail and cited in specific instances which will be helpful. We will include the supplemental evidence that you add in the addendum.

Mrs. CARSON. I know businesses that are really going out of business if we lose our rail lines. There is no question about it.

Senator BENTSEN. Thank you very much, Mrs. Carson. We appreciate it very much.

[Mrs. Carson's statement and attachments follow:]



NORTH EAST TRANSPORTATION COALITION

FOR BETTER PUBLIC TRANSPORTATION
AND IMPROVED RAIL SERVICE

Millerton,N.Y. 12546
914/789-3353

Before the U.S. SENATE PUBLIC WORKS COMMITTEE

June 16, 1975. Albany,N.Y.

Statement by Mrs. Lettie Gay Carson,President

Northeast Transportation Coalition

My name is Lettie Gay Carson. My address is Millerton,N.Y. I am president of the Northeast Transportation Coalition in which several thousand responsible, active citizen groups throughout the United States are cooperating for improved transportation planning at state and federal levels of government.

We recognize that all modes of transportation are necessary. But, we also see that, because of massive government subsidies for highway and airport development, those modes which cause the most pollution and are costliest in energy-use have been encouraged while rail service which is practically pollution-free and uses a fraction of the energy required by motor vehicles and airplanes has been allowed to deteriorate.

With no guidelines for a rational transportation system, special interests have been allowed to dominate government planning and funding. We have turned to technologies and transportation techniques which cannot serve the social and industrial needs of a great nation --and which we can no longer support. Now we are facing the consequences in relentless inflation, dwindling energy supplies, food shortages, increasing health problems caused by air, soil and water-pollution,--and the virtual immobilization of large segments of our population.

I am asked to comment on the problems created by rail abandonments and the issues associated with rural transportation in New York State. Not wishing to duplicate what state officials may introduce into the record, I shall base my remarks mostly on my first-hand experience in a rural area that is served with diminishing effectiveness by the Harlem Division of Penn Central Railroad. [redacted].

I live in a dairy-farming valley in upstate New York, about one hundred miles north of New York City, in the Berkshire Hills which are a major recreational resource in the Northeast. The economy of the Valley and adjacent areas developed as the rail line was extended north from New York City in the mid-nineteenth Century. An area which had only subsistence farming prior to the railroad has become one of the most efficient milk-producing areas in the United States and several light industries dependent upon rail service have located in the Valley. The railroad is the key to this prosperity.

All of the commodities which farmers in the Northeast have to import are bulky and heavy, --fertilizer, feed, farm machinery, building materials. The same is true of the construction materials needed by several factories, the canned goods and staples delivered to a grocery supermarket warehouse, and the transformers which have to be moved from General Electric or other factories to utility sub-stations in the New York Metropolitan area --and returned again for necessary repairs.

All of these materials can be moved economically by rail but the cost for trucking would be prohibitive and, in numerous instances, trucking simply cannot do the job. Certain products are restricted from highways because of chemical instability or because of bulk and weight. The transformers essential for Consolidated Edison Company, Inc., one of the largest public utilities in

the United States, for example, can be moved only on a "high and wide" line like the Harlem Division; not by truck and not on commuting lines where the third-rail would be damaged by the deepwell cars used for this purpose. Other shipments such as asphalt-making machinery and triple-loads of steel girders can be moved safely on the single-track Harlem line but not next to other moving equipment which precludes use of the Hudson Division.

The social and economic developments in the Harlem Valley are a microcosm of what has occurred in many other areas in this state. New York ranks third among other states in milk-production. According to the U.S. Department of Agriculture, New York State milk production in 1974 was 9, 822,000,000.pounds of milk.

There are approximately 200 farms with 20,000 head of cattle, each eating 10 pounds of grain per day, in the vicinity of the rail line. The value of farm produce is $15 million annually, the largest industry in the Harlem Valley.

But, dairymen paid out 82 percent of their gross income for production expenses in 1973. Grain, purchased to feed milking cows, was the largest single expense (33% of the total). Fertilizer and machinery were other heavy expense items and, as I have already indicated, these products are shipped almost entirely by rail.

Excellent rail passenger service once made possible a cultural exchange with New York City. This had beneficial effects on the City's economy as well as to the visitors who, up until 1972, had all-weather transportation via the Harlem Division. As a result of termination of passenger service under the RAIL Passenger Service Act of 1970, hundreds of people living in the tri-state area of western Massachusetts, Connecticut and eastern New York State, must either drive long distances or give up recreational and cultural associations in the metropolitan area.

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A clean-cut separation of urban and rural transportation needs is not sound. New York City, or any large city, is a better place in which to live and work if the people can get away to the mountains or farming areas for relaxation and a change of pace. Thousands are doing just that. They pour out of cities for weekends and holidays in rural surroundings. Mostly, this exodus and return is accomplished by automobile --faut de mieux. The greenbelts so desirable in the vicinity of metropolitan regions are being replaced by concrete parking lots.

What happens up-state, 100 or more miles north of the City, has consequences down there in respect to the movement of freight as well as of passengers. Recognition of this interrelation of urban and rural needs was seen in the action of the States of New York, Pennsylvania, Massachusetts and Connecticut which, with the City of New York, joined the Harlem Valley Transportation Association, a Millerton-based citizens group, as amicus curiae in protest against the Interstate Commerce Commission position in our lawsuit to prevent further abandonments of rail lines. And, in the recent round of hearings before the Rail Services Planning Office, planning commissioners of several mid-Hudson counties and of New York City, spoke in behalf of saving the Harlem Division as the only alternate route for freight and passenger service leading north out of New York City.

Amtrak routes of intermediate length between densely-populated centers and recreational areas are greatly needed.

Damage to the physical environment caused by rural rail abandonments may not be immediately visible. But the impact on the economy and on the tax structure will be swift and lethal in any farming area.

Loss of rail service will increase the cost of grain due to higher trucking and transfer charges as much as $25 per ton. This means that for the average size dairyman the increased cost of truck transportation

would range up to as much as $1100 per year and leave him with an income of less than $5,000 for family living. The ripple effect of loss of rail service and further statistical data on the dairy industry is included in the attached statement by Chester W. Smith, Economist, with the Northeast Dairy Cooperative Federation,Inc.

It is not necessary to be an economist to anticipate that, with the loss of rail service, farmers will, of necessity, go out of business. The small industries which are dependent upon rail service for supplies will move to main-line locations and quite possibly to another state. What can happen in the Harlem Valley is that the rolling farm land which now provides a stable tax-structure and greatly-valued open space near a vast metropolitan area may well end up as gravel quarries to meet the needs, ironically, of highway construction. Citizen groups, local and county governments are organizing to try to prevent this disaster to our economy and to a traditionally-sound way of life. But the local goal of saving, restoring and improving rail service is caught up in the national drift toward rail chaos because of oil and highway politics.

Two recent government bulletins [1] purport to deal with Transportation Needs in Rural America. The point of view expressed in this material indicates lack of concern with the effects of rail abandonment and, in apparent justification of the official attitude, reports that in many localities rail abandonments have not been protested.

1. Effects of the Proposed Northeast-Midwest Rail Reorganization on Rural Areas. March 24, 1975. Prepared by Economic Research Service,U.S. Dept. of Agriculture in cooperation with Agricultural Marketing Service, USDA, and Federal Railroad Administration,US DOT.
Prelude to Legislation to Solve the Growing Crisis in Rural Transportation.February 10, 1975.
Part I: Transportation in Rural America, Prep. by Econ. Research Service, USDA.
Part II: Meeting Rural Transportation Needs, Prep. by National Area Development Institute.

Both Bulletins prepared for the U.S. Senate Committee on Agriculture and Forestry.

But I submit that failure to protest an abandonment can simply mean that no one knew of the threat. Abandonment procedures have been undertaken quietly, one at a time, and in widely-separate communities. There has been no opportunity for statewide or regional protest of these separate actions. Notices of individual abandonments, required by law to be published in the Federal Register and in community newspapers, are seldom seen. The Federal Register is simply a pro forma notice and coverage by the news media is spotty. When Penn Central applied to abandon a segment of the Harlem Division in 1972, no notices of any kind, published or posted, were seen. I learned of the threat through indirect channels and was able to organize opposition to this disastrous development.

My reaction to the point of view expressed in these publications of the Government Printing Office is that, if the federal government wishes to eliminate the small family farm and turn over food-production to what the USDA calls "superfarms" or the agri-business, here is justification for just that. Abandonment of rail lines will certainly expedite this process.

Due to the efforts of the Harlem Valley Transportation Association, the tracks are still in place on our line but we have already paid heavily for the steadily deteriorating rail freight service , slow orders and the uncertainty as to the future of our railroad. Several businesses have modified practices and production schedules. About one-third of the cars ordered by freight-users on the line fail to arrive. It should be noted that U.S. Rail Association determines the "profitability" of a rail line by the number of freight cars in and out. There is no credit for the cars ordered but not delivered. Consolidated Edison is eager to spend $1/2 million just for a 'spare' converter to have on location in case of need --possibly to prevent a black-out. But, now, because of deferred track maintenance, this equipment is not permitted on the rail line.

Small towns and rural communities which to a great extent exist to serve the surrounding farms would quickly reflect any change in the farm economy brought on by loss of rail service. In fact, the tax structure of the counties and states will all be affected. Transportation patterns have a tremendous impact on rural communities. A small town can be a delightful haven to escape to from the city's violence; a pleasant place in which to grow up and live. Or, it can be a prison in which there are no cultural, educational or economic opportunities. Some form of public transportation, rail passenger or bus service, is needed but usually lacking.

Of what value are the community colleges in nearly every county in this State if there is no public transportation for the children of poor families (who live forty miles from the campus?) The percentage of households who are financially unable to own and operate a private automobile is more than 11% in some rural communities. Without public transportation, these people are automatically members of the unemployed. A man or woman cannot look for work or hold a job without transportation.

State insitutions are frequently located in rural areas because of cheap real estate . If they are on a rail line, coal, the cheapest fuel, can be used for heating and power. If there is public transportation, the institutions can attract workers from a wide area; visitors can easily reach the hospitals and schools. Otherwise, hiring is limited to those who live nearby and can drive and maintain a private car. Visitations of family and friends, of therapeutic value, are severely limited.

The need for public transportation in rural areas is most keenly felt by the old, the poor, the very young, the handicapped, --all of whom are immobilized unless they have access to a private automobile. To meet this situation, Dutchess and other counties are moving toward a responsive-bus system which is described in an attachment.

For perhaps the first time in the history of this country, Census Bureau surveys show a shift of population from cities to rural communities.[2] Small towns are growing faster than metropolitan areas. This change can be a healthy one if a stable economy with jobs can be developed in the rural areas. This, in turn,hinges upon the availability of dependable rail service which is essential for most kinds of farming and industries.

I am asked to make suggestions for alternatives to rail service and for the structure of future federal aid programs to rural areas. My answer, without equivocation, is that for the New England and other northeastern states with rolling terrain, narrow valleys between mountain ridges, --and an area of dense population throughout,--there is no substitute for railroads. We have already lost too many of them.

Our highways are narrow and winding, inadequate for the freight-car size trucks and buses they now carry. But, new, wider highways which would chop up our farms and bury more precious land beneath pavement are not in the public interest and will be vigorously opposed. New York already has 2.2 miles of highway for every square mile of land. More highways are not only not needed. They are detrimental to the physical environment and to the economy.

Further, we are keenly aware of the staggering cost of highway maintenance, usually the biggest item along with the school bill, in a rural town budget. The benefits of the Interstate Highway System provided on the 90-10 formula from the Highway Trust Fund seem illusory as the states and local communities are taxed to pay for the upkeep, --a charge that can equal the original cost every ten years.

A viable rail system is essential in meeting rural transportation needs. Through restoration of our rail system, our government can simultaneously solve the problems of inflation, the energy situation and much unemployment. Rebuilding

2. The New York Times. May 18, 1975. Page 1.

the rail lines would help reduce pollution of air, soil and water -- and lead to thousands of permanent jobs in industries that depend on rail service.

Urgently needed is a national transportation policy for a national transportation system in balance between all modes and consistent with prospective energy resources. The U.S. Department of Transportation was established in 1966 to provide a national transportation plan but, so far, this has not been forthcoming. We should have a federal transportation budget so that plans can be carried out without having to wait for piddling handouts from Congress on each project. Funding for rails should be on parity with what highways have had and, until the energy situation is fully assessed, a moratorium on all new highway construction.

In our view, the need for an Interstate Rail System is far greater than for an Interstate Highway System unless we want this nation to become a fourth or fifth-rade industrial power.

And, of the most urgent importance, immediate rehabilitation of our roadbeds. If we have to wait 8 --10 years as indicated in the USRA time-table for Conrail, the trains and the economy in rural areas will have come to a standstill.

Thank you for permitting me to address this Committee on Public Works in behalf of the concerned citizens throughout the United States.

BEFORE THE

INTERSTATE COMMERCE COMMISSION

EX PARTE NO. 293 (Sub No. 5)

REVIEW OF THE U.S. RAILWAY ASSN'S.

PRELIMINARY SYSTEM PLAN

RAIL SERVICES PLANNING OFFICE HEARINGS

Statement of

NORTHEAST DAIRY COOPERATIVE FEDERATION, INC. (NEDCO)
428 So. Warren St., Syracuse,N.Y. 13202

Chester W. Smith
Economist

March 24, 1975

Syracuse, N.Y.
Onondaga County War Memorial Auditorium

Introduction

My name is Chester W. Smith. I am Senior Economist for Northeast Dairy Cooperative Federation, Inc. doing business under the trade name of NEDCO. We are a federation of 62 milk marketing cooperative associations with a total membership of approximately 3,500 member dairy farmers located throughout New York State and Pennsylvania. Our concern here is the adverse economic impact on these dairy farmers and 17,000 other dairy farmers located in the same area and its related impact on the economy of the many rural communities which depend largely on the continuing prosperity of these farmers.

General Concern of Dairy Farmers

The direct concern of these dairy farmers is the prospect of loss of rail service at certain points on which they depend for in-shipments of grain, fertilizer and machinery, primarily. The loss would result in higher cost of these production necessities which would result from higher transportation cost of truck transport from more distant remaining rail connections.

Our association was represented at the ICC review of the U.S. Secretary of Transportation's "Rail Service Report" in a statement filed on March 26, 1974, by Mr. R. Fenton Murphy, Chairman of the New York-New England Dairy Cooperative Coordinating Committee. Mr. Murphy is president of NEDCO and NEDCO is a member of that Committee.

Portions of Railroad Lines Not Recommended for inclusion in the "Preliminary System Plan" of particular concern to NEDCO.

Following is a list of portions of railroad lines not recommended for inclusion in the "Preliminary System Plan" which will result in severe hardship to dairy farmers if abandoned:

NEW YORK STATE

USRA Line No.	Page 1/	County	From	To	RR	Miles
66c	602	Dutchess	Wassaic	Millerton	PC	13.2
80	80	Oneida	Camden	McConnellsville	PC	5.1
81	608	Schenectady, Montgomery	Rotterdam Jct.	So.Fort Plain	PC	35.0
89a	613	St.Lawrence	DeKalb Jct.	Ogdensburg	PC	20.8
90	613	St.Lawrence	Emeryville	Edwards	PC	6.0
137	626	Ulster,Delaware, Schoharie	Kingston	Bloomville	PC	83.4
671	638	Ontario, Seneca, Cayuga	Cayuga	Geneva	PC	14.0
1003	643	Tompkins, Cortland, Tioga	Owego	Mead	LV	50.6
1020	645	Chemung, Schuyler, Seneca	VanEtten Jct.	Geneva Jct.	LV	56.3
1015	651	Bradford (Pa.) Tioga (N.Y.)	Sayre, Pa.	Owego, N.Y.	LV	18.6
260	651	Chautauqua (NY) Warren (Pa.)	Falconer, N.Y.	No.Warren, Pa.	PC	19.2

PENNSYLVANIA

197b	723	Berks	Reading	Hamburg	PC	18.6
916	782	Lancaster	Mannheim	White Oak	R	4.5
920	785	Lancaster	Manheim	Lititz	R	4.6

1/ Page in "Preliminary System Plan", Volume II, where description and analysis of this portion of railroad line appears.

The above list of portions of railroad lines not recommended to be retained in the "Preliminary System Plan" are all portions, which I have been advised by Mr. Robert E. Harridge, Director of Transportation for Agway, Inc., which are being listed by him, in a statement to be presented in this

hearing on behalf of Agway, as portions of rail lines considered by Agway to be important to that organization. Agway is a large,(if not the largest) regional farm supply cooperative in the Northeast engaged in manufacture and/or distribution of feed (grain) fertilizer and lime, seeds, petroleum products, hardware, building materials, pesticides, herbicides, tools and many other supplies for farm production of its farmer members. Agway operates through its own manufacturing and distribution facilities, many of which are located on railroad lines and depend on rail transport both for shipping ingredients in to its manufacturing and processing facilities and shipping its products out to its local distribution facilities.

Many of the farmer members of Agway are also members of NEDCO. Thus the concern of Agway and NEDCO regarding the list of portions of rail lines not recommended for retention in the "Preliminary System Plan" are largely the same. Over 60 percent of Agway's volume is for inputs sold to its dairy farmer members. For this reason NEDCO endorses the reasons listed by Agway in its statement for this hearing in support of retention in service of the above list of portions of railroads. Also the much more involved and intimate association of Agway with rail shipment of various ingredients and products essential to farm production, both into and out of its facilities qualifies Agway to speak with authority and great expertise on this matter.

In addition to the above list, NEDCO also supports and endorses the protests against abandonment of other portions of rail lines that may be made at this series of hearings by firms other than Agway that are similarly engaged in the business of shipping in New York State and

Pennsylvania by railroad the grain, fertilizer, machinery and other essential farm production items needed by dairy farmers.

NEDCO also supports the plea of Cooperative Marketing Agency, Inc. (CMA) in this hearing for retention of rail portion 89a (DeKalb Jct, N.Y. to Ogdensburg, N.Y.) for the additional reason that this rail line is needed for out-shipments by CMA of non-fat dry milk powder manufactured at its plant in Ogdensburg. A detailed basis for this need will be presented by Mr. Charles Stube of CMA. NEDCO has a 40 percent ownership interest in CMA.

Importance of Dairying in New York and Pennsylvania

Last year (1974) dairy farming returned a gross income of $1,013,600,000 to dairy farmers in the two state area of New York and Pennsylvania, topping the list of all types of farming in both states. New York State ranked third and Pennsylvania ranked fifth among all 50 states in milk production.

But gross farm income should not be confused with net farm income. In 1973, New York dairymen paid out 82 percent of their gross income for production expenses. Grain purchased to feed milking cows was the largest single expense (33 percent of total expense). Fertilizer, and machinery were other heavy expense items. These production items are shipped in to these states by rail to a large extent.

The prosperity of small towns depends upon the economic health of the farms surrounding them. The counties and towns depend upon the farmers for taxes to run their governmental machinery, including schools; the banks depend upon the farmers for their commercial operations; the stores and independent merchants in the community depend upon the farmers for their trade. Any disruption in the farm operations surrounding the small towns would have a direct impact on these townships which generally

have no other business which can generate income in these localities.

Table I attached shows the total value of milk production by counties regulated under Federal Order 2 in the State of New York, New Jersey and Pennsylvania, which totals $683 million in 1973. The dollars generated by dairy farmers as indicated by these figures can be matched by other modes of farming throughout most of the rural counties. The farm is an important segment of the economy in the northeast.

Table II attached shows that in 1972 nine northeastern states (6 New England states plus, New York, New Jersey and Pennsylvania) had 63,970 dairy farms, which had 2,075,200 milking cows which produced 22.2 billion pounds of milk. These dairy farms bought 2,861,500 tons of grain ration (64.4 percent of the total) needed to feed these cows from off the farm. This averaged 44.75 tons per farm which was mostly shipped into the northeast by railroad.

If branch rail lines not recommended for retention in the Preliminary System Plan on which dairy farmers depend were to be abandoned, dairy farmers would have increased cost of grain due to higher cost of truck transportation and transfer cost of from $6.30 1/ to $25.36 2/ per ton.

For the average size dairyman the increased cost of truck transportation would range from $282. to $1135. per year. His net farm income in 1973 is estimated at $6,125; thus the higher cost of grain of $1135. would reduce his income by 18.5 percent and leave him with an income of less than $5,000 for family living ($6,125-$1135 = $4990). The impact on dairymen in New England would be greater because they purchase 92-100 percent of their dairy grain ration instead of the nine state average of 64.4 percent.

1/ Statement of Agway, Inc., Exhibit 3, (by R. E. Harridge, Director of Transportation) before I.C.C., Ex Parte No. 293 (Sub.No. 1), Northeastern Railroad Investigation Review of the Secretary of Transportation's Rail Service Report, Scranton, Pa.,3/4/74.

2/ Ibid., Exhibit 1 (average of differences).

Another aspect of this situation is the difference in cost between dairymen in areas that would lose rail transportation and dairymen in other areas who would not lose rail transportation and thus be unaffected. Increased cost of grain of $6.30 per ton equals $.126 per cwt. of milk; an increase of $25.36 per ton of grain equals $.507 per cwt. Producers in areas which suffered the greater rate of cost increase, (and there would probably be many such areas) could not possibly continue to compete in milk production with the unaffected areas if their cost increased $.50 per cwt.

Community Impact Study Does Not Reflect Dairying

The section of the "Preliminary System Plan" report entitled "Community Impacts of Rail Service Abandonment" (Appendix J, page 369) fails to measure the impact of rail line abandonment on the dairy industry, either its direct effect on dairy farmers or the indirect effect on rural communities which would be caused by curtailment of the demise of dairying in a particular locality.

The "community impact model" developed for the U. S. Railway Association by the Public Interest Economics Center (PIE-C) was built around the concept of a plant in a community - such as a factory manufacturing products from raw materials, which depended on rail transport for shipping in raw materials and shipping out finished products. This concept didn't measure the impact on dairy farming because the concept doesn't fit the nature of dairy farming. Dairy farmers are scattered throughout the countryside around a given community; they're not concentrated at a plant which employs some number of local workers. In fact, the report at page 375 says, "There is no way of predicting the change in agricultural employment resulting from an increase in transportation cost..."

We dispute this conclusion. There are ways that changes in agricultural employment resulting from an increase in transportation costs can be measured. My previous discussion in this statement describes the essential relationships. However, that's not the point. The point is that the community impact study in the report admittedly did not measure the impact on agriculture. The importance of this omission is the fact that the results of the study underestimate the total adverse impact on communities from railroad abandonment because the impact on agriculture is not included. We caution the U. S. Railway Ass'n. against placing great reliance on the results of its community impact study for rural communities because the agricultural sector is not reflected. By the same token, we urge consideration of our testimony and that of other agricultural organizations because we have furnished the missing link, even though it is not in the form of an electronic data processing print-out from a sophisticated economic model.

Need for Subsidies - Lack of Criteria

The data in Appendix K obviously indicates that retention of most, if not all of the rail line portions not recommended in the "Preliminary System Plan" will require subsidization. And some portions will require much heavier subsidization than others to avoid a loss. Some of the segments that we urge be retained are in the "high subsidy" category - notably Nos. 137, 1003, 1015 and 260 in New York State.

In this connection the "Preliminary System Plan" report includes no criteria for evaluating where the subsidy funds authorized by the Act (30 percent State - 70 percent Federal, for two years) would be used. Because of this lack of criteria, we and all other industry groups are

unable to respond to the subsidy aspect of the report in the sense of developing plans of our own or in conjunction with local,county or state units of government (as the Act contemplates) for making use of an essential part of the railroad reorganization process authorized by the Act. For this reason we urge the U. S. Railway Association to provide and publish this missing link (criteria for evaluating use of available subsidy funds) before the preliminary plan is made final, with a reasonable amount of time allowed to adversely affected parties to respond to it.

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DART TRANSPORTATION PROGRAM

The Harlem Valley, which lies in the eastern tier of Dutchess County, has a widely dispersed rural population. Poverty conditions are significantly more severe here than in the rest of the County. Of the total population, 15.5% have a total family income of less than $5,000 per year. In addition, the Harlem Valley has a higher percentage of elderly residents than the rest of the County, (11.3% over 64 years old). Approximately 10% of the population has no automobile available for its use at any time.

Public transportation in this area is grossly inadequate; indeed it has been almost nonexistent since the closing of passenger and even of freight service, by the Penn-Central Railroad in 1973. The only regular bus service available is Mountain View Coaches' Millbrook-Poughkeepsie run, which makes four round trips a day, east to west, and Resort Bus Lines, north to south from Pittsfield, Mass. to New York City, stopping at Millerton and Amenia in the Harlem Valley.

In view of these facts, in May 1973, the Dutchess County Committee for Economic Opportunity instituted a pilot program called DART, (Dutchess Assisted Rural Transportation). DART began operation with two used passenger cars, obtained from a pilot transportation program that had operated in a six county Mid-Hudson region, home-based in Liberty, N. Y. Within a short period of time, it was evident that the demand for transportation for the elderly, handicapped, low income rural residents of the Harlem Valley to necessary services, would far exceed the limitations of two vehicles. In September of 1973, a used 1972 12-passenger Chevrolet van was purchased. This vehicle has since been modified to contain a semi-automatic wheelchair lift. In December of 1973, two additional 8-passenger Dodge vans were purchased, which were modified to conform to Department of Transportation standards, and in late summer of 1974, another Dodge van, 12-passenger, was added to the fleet. One of the original vehicles was taken out of service in 1973.

We started our operation with two part-time drivers, added another part-time driver in the fall of 1973, and now have two full-time

drivers, (one available through CETA funding), and three part-time. We have a full-time dispatcher, and all our vehicles are equipped with two-way radios. We have found the radios to be most helpful in the efficient performance of this program.

We require full medical and eye examinations for all of our drivers, for which our agency pays the fee. In addition, the drivers must not have had any moving violations on their licenses for the past four years. We have been able to provide some local residents part-time and full-time employment through our program, as drivers and dispatcher, who may have been unemployed or under-employed in other positions, thereby increasing the economic base of the Harlem Valley area.

At he present time, DART operates under a Permit to be a Contract Carrier, in addition to the transportation we provide, on a no-fare basis, to the elderly, handicapped, low-income rural residents. The Permit allows us to charge a mileage fee to various County and Social Service agencies who have requested our services. This monetary return has enabled this program to expand to meet the growing needs of this community.

Recently our agency sent a proposal to the New York State Department of Transportation, under Section 417 of the Rural Highway Demonstration Act, requesting additional funds with which to further expand DART by the purchase of four additional vehicles, add four drivers, and an assistant dispatcher. Under this proposal, we would hope to open our transit service to the general public in the Harlem Valley area, on a low-fare basis, which would create greater mobility to a variety of services including shopping, recreation, and social.

During 1974, DART transported 10,992 passengers, operating over 93,921 miles to a variety of health and social services in the

County, including the Office of Vocational Rehabilitation, Dutchess County Chapter for Retarded Children, County Department of Mental Hygiene, and the Department of Social Services. Due to the lack of health and social facilities in the Harlem Valley, individuals must be transported over great distances resulting in much unproductive mileage. While agency reimbursements and individual donations currently cover mileage costs, this amounts to only 22% of the total costs. DART is also attempting to service an area that is more than six times that of the average DIAL-A-BUS system, and it has only one-third the number of vehicles.

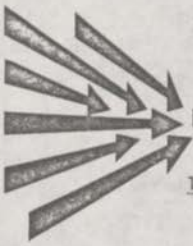
Dutchess County has recently recognized the operating capability of DART, and has voted to give $20,000 in Revenue Sharing funds to the program. Part of this money will be used to purchase a 15-passenger Busette. This vehicle will be used in conjunction with a County-wide transit loop-system, and DART will act as a shuttle or feeder-line to expanded County-subsidized existing bus lines, which will create greater mobility for rural residents.

DART has proven to be a viable, necessary part of the rural area, and we hope that the continued interest of the community combined with the availability of subsidies, will continue to keep the program in operation for many years to come.

Muriel Rothstein

April 1975

Muriel Rothstein, Director
Transportation and Rural Affairs



NORTH EAST TRANSPORTATION COALITION

FOR BETTER PUBLIC TRANSPORTATION AND IMPROVED RAIL SERVICE

TRANSPORTATION FACTS

Millerton,N.Y. 12546
914/789-3353
May, 1975

Highways Have Had It Good.

Since 1956, federal, state and local governments have spent $275 billion on new highway construction.

State and local share of operating, maintaining and building highways amounts to some $17 billion annually. Many states are finding it difficult to maintain present roads, much less to build new ones. Higher truck weights will accelerate this problem. According to U.S. Bureau of Public Roads, one 72,000 lb. interstate truck causes more damage to good-quality pavement than 6,000 automobiles.

Original cost of highways is duplicated in maintenance every ten years.

Government Investment

Total government investment in our transportation system exceeds $30 billion per year of which railroads have been receiving less than one percent.

Since 1920, waterways, highways and air transport facilities have accounted for 99% of all direct government investment in transportation.

Consequences

National Science Foundation: Transportation accounted for increase of 166% in energy use during the years, 1950-1970. Trucking increased tonnage of freight moved on highways by 99.3%, 1965-1970. Trucking consumes 2.56 times as much energy as rails. Economic and ecological costs of constructing and maintaining our system of waterways, highways and airways are rising.

Barges and Airways Benefit Also.

A Trust Fund was established in 1970 for airport development. Already allocated: $3.8 billion; $3 billion allocated for development in next 5 years.

Barges pay no user charges on inland waterways.

Energy, Pollution and Other Considerations

Expenditure of HTF monies on railroad and mass transit rather than on highway construction would reduce total energy consumption by 62% relative to that consumed in highway construction.

Electrification of rail permits centralized control of utility generation air-pollution at sources in contrast to dispersed truck and airlines air-pollution.

Total allocation for highway construction provies less than 25% for labor.

TABLE 3.—MILK: PRODUCTION BY PRODUCTION REGIONS, 1970-74 WITH COMPARISONS
USDA DAIRY SITUATION—MARCH 1975

State and region	Millions of pounds					1974 (percent)	
	1970	1971	1972	1973	1974 [1]	U.S. total	Change from year earlier
Maine	619	629	638	614	615	0.5	+0.2
New Hampshire	356	359	353	337	333	.3	−1.2
Vermont	1,970	2,025	2,039	1,948	1,950	1.7	+.1
Massachusetts	658	658	629	595	594	.5	−.2
Rhode Island	75	70	69	64	63	.1	−1.6
Connecticut	661	660	643	614	613	.5	−.2
New York	10,341	10,431	10,306	9,728	9,822	8.5	+1.0
New Jersey	730	684	645	575	551	.5	−4.2
Pennsylvania	7,124	7,155	7,031	6,718	6,971	6.0	+3.8
Delaware	130	133	132	128	132	.1	+3.1
Maryland	1,560	1,564	1,537	1,464	1,490	1.3	+1.8
Northeast	24,224	24,368	24,021	22,785	23,134	20.0	+1.5
Michigan	4,602	4,796	4,966	4,636	4,588	4.0	−1.0
Wisconsin	18,435	18,848	19,226	18,442	18,362	15.9	−.4
Minnesota	9,636	9,618	9,580	9,271	9,382	8.1	+1.2
Lake States	32,673	33,262	33,772	32,349	32,332	28.0	−.1
Ohio	4,420	4,488	4,573	4,267	4,195	3.6	−1.7
Indiana	2,382	2,430	2,454	2,329	2,275	2.0	−2.3
Illinois	2,850	2,795	2,838	2,717	2,596	2.2	−4.5
Iowa	4,670	4,577	4,400	4,180	3,947	3.4	−5.6
Missouri	3,012	2,999	3,025	2,992	3,008	2.6	+.5
Corn Belt	17,334	17,289	17,290	16,485	16,021	13.9	−2.8
North Dakota	1,065	1,023	994	1,044	1,055	.9	+1.1
South Dakota	1,533	1,557	1,540	1,569	1,518	1.3	−3.3
Nebraska	1,566	1,569	1,610	1,542	1,477	1.3	−4.2
Kansas	1,740	1,688	1,629	1,505	1,403	1.2	−6.8
Northern Plains	5,904	5,837	5,773	5,660	5,453	4.7	−3.7
Virginia	1,749	1,751	1,760	1,690	1,699	1.5	+.5
West Virginia	374	363	345	333	333	.3	0
North Carolina	1,485	1,500	1,537	1,524	1,534	1.3	+.7
Kentucky	2,471	2,480	2,530	2,330	2,370	2.1	+1.7
Tennessee	2,123	2,122	2,147	1,946	1,892	1.6	−2.8
Appalachian	8,202	8,216	8,319	7,823	7,828	6.8	+.1
South Carolina	512	516	518	497	503	.4	+1.2
Georgia	1,182	1,188	1,235	1,168	1,194	1.0	+2.2
Florida	1,641	1,785	1,867	1,843	1,902	1.6	+3.2
Alabama	816	819	820	785	710	.6	−9.6
Southeast	4,151	4,308	4,440	4,293	4,309	3.7	+.4
Mississippi	1,049	1,011	993	950	907	.8	−4.5
Arkansas	685	698	728	706	709	.6	+.4
Louisiana	1,089	1,129	1,132	1,062	1,059	.9	−.3
Delta States	2,823	2,838	2,853	2,718	2,675	2.3	−1.6
Oklahoma	1,250	1,260	1,235	1,140	1,137	1.0	−.3
Texas	3,065	3,239	3,340	3,280	3,378	2.9	+3.0
Southern Plains	4,315	4,499	4,575	4,420	4,515	3.9	+2.1
Montana	326	334	334	312	294	.3	−5.8
Idaho	1,490	1,550	1,663	1,657	1,555	1.3	−6.2
Wyomi g	140	135	135	130	123	.1	−5.4
Colorado	856	885	880	854	866	.7	+1.4
New Mexico	304	312	326	318	338	.3	+6.3
Arizona	585	620	640	737	810	.7	+9.9
Utah	819	840	874	866	922	.8	+6.5
Nevada	142	141	143	144	167	.1	+16.0
Mountain	4,662	4,817	4,995	5,018	5,075	4.4	+1.1
Washington	2,091	2,230	2,307	2,338	2,312	2.0	−1.1
Oregon	970	1,008	1,005	1,008	1,004	.9	−.4
California	9,457	9,710	10,400	10,332	10,601	9.2	+2.6
Pacific	12,518	12,948	13,712	13,678	13,917	12.1	+1.7
Alaska	19	17	18	18	18	[2]	0
Hawaii	137	133	136	138	139	.1	+.7
United States	116,962	118,532	119,904	115,385	115,416	100.0	[2]

[1] Preliminary.

[2] Less than 0.05 percent.

[From the Poughkeepsie Journal, Nov. 26, 1974]

WHEELS FOR COUNTRYSIDE

At long last, the transportation needs of the countryside, as opposed to urbanized areas, has received noteworthy attention in a place where it could do some good.

A subcommittee of the House Agriculture Committee issued a report this week which struck out at federal policies that give separate and unequal treatment to the transportation needs of cities and rural areas.

The report linked "the deteriorating countryside transportation network" with the fact that workers are leaving rural areas to seek non-farm jobs in industries that cannot relocate in the country unless there is adequate transportation there.

It said other results of deficient rural transportation have been "artificial shortages of food products caused by the inability of farmers and elevator operators to get the crops moved to the cities—by truck, train or barge—and rapidly rising prices for food caused, in good measure, by the difficulty of getting the products to market and the cost of them when they can be moved."

The deficiencies of the nation's transportation system come as no great disclosure to the people of the Mid-Hudson Valley who have been living with them long before the impracticality of the dependence on the automobile was underscored by the oil crunch. One great example exists in the Harlem Valley of Dutchess County where inaccessibility to economic and social centers has been singled out as one of the basic causes for economic and social lag.

This report by the Agriculture Committee's subcommittee represents no tangible legislation, but it is important for the fact that it has been made at all. Too often the attention of legislators in Washington is captured by the interests of the affluent urban lobbies, while the welfare of millions of Americans who measure their distance in "pitchforks down the road" is ignored.

It is to be hoped that the report, along with recent legislation to bolster the cause of public transportation, will spur help to rural Americans suffering from the lack of wheels to commute into the social and economic mainstream of their country.

Senator BENTSEN. Our next witness is Mr. E. J. Gros, who is the director of distribution and planning for distribution of the corporation centers.

STATEMENT OF EDWIN J. GROS, JR., DIRECTOR-DISTRIBUTION AND PLANNING, BAKER/BEECHNUT CORP.

Mr. GROS. It is a privilege and a pleasure to be here this morning to give my views. I am pleased to have followed the honorable commissioners of transportation and agriculture in New York State and know that they are aware of some of the problems of my company.

I direct the total distribution functions and planning for a company with corporate offices in Canajoharie, N.Y., and Fort Washington. Pa.

We have production facilities in Canajoharie, N.Y., Fort Plain, N.Y., and San Jose, Calif.

I will pass some of the written testimony here, because it has been well pointed out by people prior to me.

Senator BENTSEN. Fine. If you would, Mr. Gros, summarize that and deal specifically with your situation.

Mr. GROS. As mentioned previously, the west shore of the Penn Central has been slated by the preliminary systems plan to be abandoned. This is the branch line that furnishes service for our plant in Canajoharie and our plant in Fort Plain, N.Y.

Interestingly enough, we have separated from Squibb Corp. in 1973, that is the Beechnut Baby Food Co., Lifesavers, Inc., still a division of Squibb Corp., runs and operates a plant within our major facility.

That line services two major companies, Lifesavers, Inc., division of Squibb Corp., as well as Beechnut Baby Foods. Specifically, the plants in New York State produce approximately 90 percent of our baby food with only 10 percent being produced on the west coast. We had done this over the past several years for the sake of economy.

As you know, the birthrate has been on the downward trend which has hurt the industry as a whole. Just recently, actual live births are on the increase which means better life in our industry and not only in our company.

Many of the raw and packaged materials used in the food industry do not lend themselves to truck transportation. This is also true for finished products.

I would like to summarize the growth cost penalty that would result if items currently shipped over the rails were transferred to trucks using the present published rates.

You asked the question previously, are these costs true? The figures I am presenting here are using the current ICC published rates. Inbound transportation in excess of 40 million pounds, a cost penalty of $1,037,000. Outbound freight in excess of 26 million pounds, a cost penalty of $759,000.

Senator BENTSEN. That related to what period of time?

Mr. GROS. This is the cost penalty for our projected 1975 year if we were to transfer everything during this year that is currently on rails to truck. We have not projected this out with projected growth. I have, but I have not in my testimony.

Senator BENTSEN. When you spoke of not being able to feasibly do it by truck, are you saying that because of costs rather than some of the physical limitations that Mrs. Carson was referring to?

Mr. GROS. Yes, sir, it's cost in our case. My background—I was a farm boy in upstate New York. I went to college. My undergraduate work was industrial engineering. In that field I think we have a saying that we can do almost anything with enough time and money.

Yes, we can transport any of the products that we use over the roads in truck. However, the cost premium is tremendous.

We are a company with slightly less than $70 million annual sales. Nearly $1.8 million is quite a cost penalty for us to absorb. Certain instances, I would point out, for instance, transporting some of our products for the California market from the East would mean an increase of better than three times that currently paid over the rails. That interpolated to the cost of a case of baby food or better yet, a jar of baby food would be in excess of 2 cents per jar. We just could not absorb that kind of cost penalty.

I might add, our competitors have plants in Pennsylvania and their home office of our largest competitor in Michigan. They currently are not facing the kind of problems we may be if we lose our railroad.

Senator BENTSEN. Do they have rail transportation?

Mr. GROS. Yes, sir, interestingly enough, it was pointed out by the Commissioner of Agriculture, Commissioner Dyson, that it would be $14 to $15 per ton. I would like to translate that to per truckload, of say a 30,000-pound truckload. That is $150 to $200 per truck. Translate that to a 60,000-pound railcar, that is an additional $300, $400 per rail, in addition.

I would like to further point out what this would do to my village. Canajoharie is a village of 2,680 people. Our two primary employers are Baker/Beechnut and Lifesavers, who employ approximately 1,700 people. They are the two largest employers in Montgomery and surrounding counties.

The majority of our local people are either directly employed or provide services to the companies or their employees. Actually, the village derives 37 percent of the total property tax from Baker/Beechnut or Lifesavers, Inc.

The town of Canajoharie, 23 percent, the Canajoharie school district, 20 percent; actual contributions to community chest, voluntary fire department, Voluntary Ambulance Corp., over 75 percent.

Obviously, the employees of the company make up the majority of the remaining. The simple facts stated above clearly amplify the tremendous economic impact that would result if the west shore of the Penn Central did not continue operations from Rotterdam Junction to South Fort Plain.

We in the village of Canajoharie have had experience with railroads that did not meet the needs of the area. A large area employer, Arkell and Smith, a manufacturer of paper bags, was denied a siding and transferred their operations out of Canajoharie. This occurred over 16 years ago.

Today, with crumbling brick and broken windows, it is a constant reminder. We have two small sections of that building that have been renovated to house two small manufacturing operations employing less than 100 people.

The general area serviced by the west shore has over 50,000 people. There is a work force of approximately 13,000 people, of which 20 percent are in the industries directly affected by possible loss of rail service.

The area's agricultural community is divided into 70 percent dairy farms and 30 percent produce farms. The dairy farms depend largely upon the availability of grain at competitive prices. Major suppliers of grain in the area are serviced by the West Shore Line. The marginal farms could fail if they were forced to pay inflated feed and fertilizer costs due to increased transportation expenses.

If feed and fertilizer were trucked to these locations or new locations were provided on continued rail lines, the cost of their products would undoubtedly be passed on to the users. This would place our area producers at a competitive disadvantage.

Many small businesses will be affected directly or indirectly if rail service were lost to this area.

There are coal yards, fuel oil suppliers, recycling businesses, lumber yards serviced by this line.

Could they survive increased transportation costs? What would happen to the service type businesses in the area if production were either curtailed or reduced in our local industries and our local farms?

We have a stone quarry located on this line that ships 1,500 cars per year and employs 27 people. Will they ship by truck?

I would like to point something out here. You asked the question earlier, should the Federal Government finance the rail lines? I think I will side in with those before me and point out, that some of the studies and results arrived at by USRA may be questioned. This

1,500 cars, for instance, in all the statements of the line affecting my area, it states there are 1,569 cars a year actual. Actually, that is true with one exception. There is an additional 1,500 cars a year transported over that line that is used by the Penn Central for ballast. Therefore, these are nonrevenue cars and they were not considered in the study.

Those cars alone would make this line profitable. Commissioner Schuler has pointed this out in testimony and other sources.

Transportation both by truck and rail are extremely important to the fuller development of industrial sites. Industries look for new locations and usually require rail sidings and adequate access roads to the interstate highway.

We have studied the problems that would result if rail service to this area were lost. Alternatives to our company appear to be extremely costly. We are more fortunate than many.

In fact, there is a thruway exit right in our back yard. It circles part of our plant. The main line of the New York Central also parallels the West Shore, the line slated for abandonment.

The problem for Baker/Beechnut and other industries along the line is the Mohawk River and the New York State Thruway separates the two. The main line through the Central New York is basically a new system with limited capability in providing side track service.

I think that the Public Works Committee could assist the companies and communities similar to that which I represent by providing access roads for temporary tracks and possibly private sidings on the main line that would be necessary for industry to survive if many of the proposed rail abandonments took place.

It is obvious that roads and bridges will have to be improved in some areas of our States which are currently not serviced by the interstate system.

However, as I said before, we are not in that particular area. We are serviced by an interstate system that is good.

I would like to impress upon the honored members of this committee that even though an improved highway system is necessary, it will not be a satisfactory substitute for loss of service to some of our industries. Some commodities just do not lend themselves to be transported over the roads.

The additional costs can be prohibitive. The additional use of fuel is not in keeping as requested by our President and I am sure endorsed by Congress. The addition of pollutants caused by increased truck traffic is not compatible to our desires to improve the environment.

I would like to thank you for the opportunity to present the problems caused for my company and my community because I believe it is representative of many in rural New York. Thank you.

Senator BENTSEN. Thank you very much, Mr. Gros. We wanted the specific instances. Sometimes it is pretty difficult for somebody to come down to Washington. So we wanted to bring the hearings to you. We are doing that around the country, getting the input from some of the smaller communities, smaller towns.

We did this last year in major cities in discussing mass transit there. The results of those hearings were we were able to do some very meaningful things for mass transit. A lot of them will not show

up for years because it takes time to implement these things. But we are making some progress. We will weigh your points and those of previous witnesses to try to develop a transportation system which is so obviously needed. Thank you very much.

[Mr. Gros' statement follows:]

STATEMENT OF EDWIN J. GROS, JR., DIRECTOR, DISTRIBUTION/PLANNING BAKER/BEECHNUT, CORP.

Senator Bentsen and Honored Members of Committee: It is an honor and privilege to appear here with my thoughts on the "Transportation Problems In Rural America".

My name is Edwin J. Gros. Jr. I am the Director, Distribution and Planning for Baker/Beech-Nut Corporation, a manufacturer of Baby Foods with Corporate Offices in Canajoharie, N.Y. and Fort Washington, Pa. Our production facilities are located in Canajoharie, N.Y., Fort Plain, N.Y. and San Jose, California. I direct and administer the total Company's Production Planning and Distribution functions.

New York State is normally recognized for its industrial power and its large metropolitan areas. Many residents of our great state and residents of other states fail to realize the large number of people who constitute our rural population. New York ranks second in the nation in the production of dairy products, apples, cherries, grapes and cabbage, as well as being first in the nation in the production of maple syrup. Eggs, potatoes, beans, onions, tomatoes, sweet corn and many other garden and feed crops make up the remaining portion of our agricultural income.

Many of the people residing in rural New York derive their livelihood by processing the many agricultural products mentioned previously. Others provide services and/or work with small industries that were developed along our natural waterways and later our railroads.

Our agricultural and rural communities will be greatly affected if the Preliminary System Plan, issued by the U.S.R.A. on 2/26/75, is followed. I am sure that this was not the intent of Congress when they passed the Regional Rail Reorganizational Act of 1973.

The Preliminary Plan does not recommend that the portion of the West Shore Secondary Track of the Penn Central, known as U.S.R.A. Line #81, be included in the ConRail System.

I believe the problems caused by rail abandonment for my Company, my Community, and my General Area of residence are typical of many that exist in New York and other States. I would like to cite our case.

BAKER/BEECH-NUT CORPORATION

Baker/Beech-Nut Corporation market Baby Foods under the "Beech-Nut" label. We have three plants—two of which are located on the West Shore branch line of the Penn Central. The other plant is in California. The Company was formed in February 1973 when the Squibb Corporation sold the Baby F ods portion of their business. Baker/Beech-Nut Corporation is a legal and actual entity completely separate from the Squibb Corporation. This point is made as a portion of our plant in Canajoharie is leased to a division of the Squibb Corporation, (Life Savers, Inc.)

Baker/Beech-Nut Corporation, one of three manufacturers of Baby Foods in the United States is improving its No. 2 position in an Industry that has suffered from a declining market due to the reduction of birth rates during the past three years. The birth rate has currently leveled off and the actual live births have started to increase and will continue to do so due to the number of women of childbearing age.

Many of the raw and packaging materials used in the food industry do not lend themselves to truck transportation. This is also true for finished products that are shipped long distances.

I would like to summarize the freight cost penalty that would result if the items currently shipped over the rails were transferred to trucks using the present published rates.

Type	Pounds	Cost penalty
Inbound	40,770,000	$1,037,400
Outbound	26,570,000	759,600
Planned future inbound	14,540,000	
Total	81,880,000	1,797,000

Baker/Beech-Nut could not absorb the additional cost—$1,797,000 (1975 rates) that would be caused by lack of rail service to Canajoharie and South Fort Plain. The Food Industry has been constantly barraged with increasing costs. The lack of rail transportation to our facilities will further increase our costs due to transportation and quantity discounts. These increased costs would place us at an obvious disadvantage with our competitors.

Baker/Beech-Nut would be required to drastically revise our production patterns or curtail business completely.

VILLAGE OF CANAJOHARIE

Canajoharie is a Village of 2,680 people. Our two primary employers, Baker/Beech-Nut Corporation and Life Savers, Inc., employ approximately 1,700 people. They are the two largest employers in Montgomery and surrounding counties as well as being Canajoharie's life blood. The employees are drawn from a large area; however, the majority of our local people are either directly employed or provide services to the companies or their employees.

In addition to the two companies named above, our remaining people are employed in the Central National Bank (over 100 people), the Canajoharie Central School, stores, gas stations, lumber yards, contractors, auto dealers, etc., and would have little reason for existence without the two major companies and their combined annual payroll of $14,000,000–$15,000,000.

There are no other industries in the entire Mohawk Valley that could absorb the employees displaced if Baker/Beech-Nut Corp. or Life Savers, Inc. were to restrict or discontinue operations in Canajoharie. It appears that my community, as well as many others in Montgomery and Surrounding Counties, would be supported by Welfare. A few simple facts:

	Percent paid by the corporations (Baker/Beech-Nut and Life Savers)
Property taxes:	
Village of Canajoharie	37
Town of Canajoharie	23
Canajoharie School District	20
Contributions to—	
Voluntary fire department	(1)
Voluntary ambulance corp	
Other community services	

[1] Over 75 pct.

Employees of the Companies make up the majority of the remaining—The simple facts stated above clearly amplify the tremendous economic impact that would result if the West Shore of the Penn Central did not continue operations from Rotterdam Junction to South Fort Plain.

The Village of Canajoharie has had experience with railroad service that did not meet the needs of the area. A large area employer, Arkell and Smith, Inc. (a Manufacturer of Paper Bags) was denied a siding and transferred their operations out of Canajoharie. This occurred over sixteen years ago. We have crumbling brick and broken windows as a constant reminder. Small sections of the buildings have been renovated to house two manufacturers with a combined employment of less than 100 people.

GENERAL AREA

Over 50,000 people live in the area serviced by the West Shore branch line of the Penn Central that is slated for abandonment. There is a work force of approximately 13,000 people of which 20% are in the Industries directly affected by possible loss of rail service.

The area's agricultural community is divided into 70% Dairy Farms and 30% Produce Farms.

The Dairy Farms are dependent upon the availability of grain at competitive prices. Major suppliers of grain in the area are now serviced by the West Shore Line. The marginal farms could fail if they were forced to pay inflated feed and fertilizer costs due to increased transportation expense. The remaining farms consist largely of Vegetable Producers which provide raw materials for our Baby Food manufacture. These farms will lose the market for their produce if the local Industries lose business due to the increased costs. Agway, Inc. operates for separate feed and fertilizer outlets that are serviced by the West Shore. If feed and fertilizer were trucked to these locations, or new locations were provided on continued rail lines, the cost of their products would undoubtedly be passed on to the users. This would price our area producers at a competitive disadvantage.

Many small businesses will be affected directly or indirectly if rail service were lost to this area. There are coal yards, fuel oil suppliers, re-cycling businesses, and lumber yards serviced by this line. Could they survive increased transportation costs? What would happen to the service type businesses in the area if production were either curtailed or reduced in our local Industries and on our local farms? We have a stone quarry located on this line that ships 1,500 cars per year and employs 27 people. Will they ship by truck?

Transportation, both truck and rail, are extremely important in future development of Industrial sites. Industries look for new locations and usually require rail sidings and adequate access roads to the Interstate highway.

SUMMARY OF PROBLEM AND POSSIBLE ALTERNATIVES

We have studied the problems that would result if rail service to this area were lost. Alternatives for our Company appear to be extremely costly. We are more fortunate than many as this area is serviced by the N.Y.S. Thruway, part of the Interstate Highway System.

The main line of the New York Central also parallels the West Shore (the line slated for abandonment). The problem for Baker/Beech-Nut Corporation and other Industries on the line is that the Mohawk River and the New York State Thruway separate the two. The main line through Central New York is basically a thru system with limited capability of providing side-track service.

1. I believe that the Public Works Committee could assist companies and communities similar to that which I represent by providing access roads for team tracks and possible private sidings on the main line that would be necessary for Industry to survive if many of the proposed rail abandonments took place.

2. It is obvious that roads and bridges will have to be improved in some areas of our State which are currently not serviced by the Interstate System.

I would like to impress upon the Honored Members of this Committee that even though an improved highway system is necessary, it will not be a satisfactory substitute for loss of service to some of our Industries. Some commodities just do not lend themselves to be transported over the roads.

The additional cost can be prohibitive; the additional use of fuel is not in keeping with the conservation of energy requested by our President, and I am sure endorsed by Congress; the addition of pollutants caused by increased truck traffic is not compatible with our desires to improve the environment.

I would like to thank you for the opportunity to present the problems that could be caused for my Company and my community if the proposed rail abandonment (West Shore branch of Penn Central) is carried out. I feel that our situation may be similar to the plight of other industries and communities in the rural areas of the northeast.

Senator BENTSEN. We will recess our hearings at this time.

[Whereupon, at 11:20 a.m., the subcommittee recessed, to reconvene subject to the call of the Chair.]

FUTURE OF THE HIGHWAY PROGRAM

FOREST ROADS AND TRAILS SYSTEM

MONDAY, JULY 14, 1975

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Washington, D.C.

The subcommittee met at 9:40 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. James A. McClure presiding.

Present: Senators Randolph (chairman of the full committee), Gravel, Stafford, and McClure.

OPENING STATEMENT OF HON. JAMES A. McCLURE, U.S. SENATOR FROM THE STATE OF IDAHO

Senator MCCLURE. The Transportation Subcommittee of the Public Works Committee will come to order.

Today's session is the first in a series of transportation oversight hearings by this subcommittee.

While we will be looking at most aspects of our national transportation system before these hearings are concluded, we will be limiting today's examination to the forest roads and trails system, with primary emphasis on forest development roads and trails.

Of particular interest to the subcommittee is the vastly increased use of timber purchaser credits as a means of financing forest development roads.

According to section 205(a) of title XXIII of the United States Code, funds available for forest development roads and trails shall be used by the Secretary of Agriculture to pay for the cost of construction and maintenance thereof.

On the other hand, section 535 of title XVI permits construction of such roads by using appropriated funds, requirements of timber purchasers, cooperative financing, or a combination of these methods.

However, according to figures previously supplied this committee by the U.S. Forest Service, reliance has shifted almost entirely to the purchaser credit system of financing construction.

Regardless of the merits or disadvantages of this shift, or of the purchaser-credit method of construction financing, it seems clear that such a shift should free appropriated funds which could be used for maintenance under section 205.

However, the level and quality of maintenance being performed appears to need a little boost as well, particularly in the Western States.

In Idaho, 185 bridges need replacement, or heavy maintenance, just to bring them up to minimum acceptable standards for the roads in question. In many States, over half the bridges inspected were in sad shape. In Alaska, 100 percent of the bridges inspected, 175 out of 175 need heavy maintenance or replacement. Yet appropriated moneys are being allowed to lapse. We will get into that issue shortly.

Forest access roads in Idaho are vitally important to the management and protection of our forest resource. Road systems must be carefully designed and built to serve a number of concerns. Proper attention to costs are important, as the counties receive 25 percent of the net receipts from national forest timber sales for use in financing county schools and roads. Protection of forest values from losses due to insect and disease activity, as well as the ravages of fire and other natural disasters depends on an adequate forest access system. Recreation access is no less important than reasons previously given for having a carefully planned and constructed road system. Roads originally financed and built for timber harvest serve a large volume of recreation traffic that visits the forest for a variety of reasons.

The committee is also interested in how the existing and projected forest roads systems relate to the objective of sound forest management over both the long and the short term.

To aid this subcommittee in finding the facts, we have here today an impressive array of knowledgeable witnesses representing a broad range of interests, and I should add that the committee will welcome written testimony from any other interested parties, either groups or individuals, for inclusion in the record of these proceedings.

Senator Randolph and Senator Gravel are unable to be here this morning and we will include their statement in the record.

[The statements follow:]

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Today, we begin a series of hearings which we hope will aid the Members of our Committee in deciding what the nation's transportation priorities will be for the rest of this century.

The issue on which we will receive testimony this morning is Forest Roads and Trails—one of great concern to states such as Alaska, Idaho, New Mexico and West Virginia which have significant amounts of federal timberland. Good forest management and access to stands of timber used by the various segments of the construction industry can only be accomplished by adequate road construction into forested areas. These same roads often provide the citizen with opportunities to enjoy the many scenic and recreational benefits of our national forests.

For the past several years, the Office of Management and the Budget has cut back on appropriations requests for forest road construction and instead has relied almost exclusively on people who purchase timber to build roads to only the section of the forest which they harvest. Although this procedure reduces outlays appearing in the Federal budget, it gives little control over where roads are built; thereby, diminishing the ability to apply forest management techniques and little or no provision to making these roads available to the American public for leisure activities.

I hope that the testimony we receive today will identify problem areas in the Forest Roads and Trails program, so the Members of the Public Works Committee can provide the framework to create the basic road system needed for sound forest management.

OPENING STATEMENT OF HON. MIKE GRAVEL, U.S. SENATOR FROM THE STATE OF ALASKA

Today's session is the first in a series of transportation oversight hearings by this subcommittee. While we will be looking at most aspects of our national transportation system before these hearings are concluded, we will be limiting today's examination to the Forest Roads and Trails System—with primary emphasis on forest development roads and trails.

Of particular interest to the subcommittee is the vastly increased use of timber purchaser credits as a means of financing forest development roads. According to § 205(a) of Title 23 of the U.S. Code, "Funds available for forest development roads and trails shall be used by the Secretary of Agriculture to pay for the costs of construction and maintenance thereof . . ." On the other hand, § 535 of Title 16 permits construction of such roads by using (1) appropriated funds, (2) requirements on timber purchasers, (3) cooperative financing, or (4) a combination of these methods.

However, according to figures previously supplied this Committee by the U.S. Forest, reliance has shifted almost entirely to the purchaser credit system of financing construction.

Regardless of the merits or disadvantages of this shift—or of the purchaser credit method of construction financing—it seems clear that such a shift should free appropriated funds which could be used for maintenance under § 205. However, the level and quality of maintenance being performed appears to need a little boost as well—particularly in my home state of Alaska. According to the Forest Service, Alaska enjoys a unique distinction among the fifty states. One hundred-seventy five bridges in Alaska have been inspected, and 100%—every single one—needs replacement or heavy maintenance to bring it up to the minimum acceptable standard for the road in question! But we will discuss that shortly.

The committee is also interested in how the existing and projected forest road systems relate to the objectives of sound forest management over both the long and short term.

To aid this subcommittee in finding the facts, we have here today an impressive array of knowledgeable witnesses, representing a broad range of interests. I should add that the committee will welcome written testimony from any other interested parties—either groups or individuals—for inclusion in the record of these proceedings.

Senator MCCLURE. We have with us this morning the Senator from Wyoming, Senator Hansen, who indicated he would like to make a statement.

Senator Hansen, you are welcome before this subcommittee at any time.

STATEMENT OF HON. CLIFFORD P. HANSEN, U.S. SENATOR FROM THE STATE OF WYOMING

Senator HANSEN. Thank you very much, Mr. Chairman, I appreciate your courtesy and the courtesy of other witnesses, many of whom have come a long way to testify here, in permitting me to go first.

I have a prepared statement that I would like to ask might be included in the record. I will not read it. I would like to stress two or three points, if I may.

In as far as the small timber operators are concerned, their feeling is they are required to get into a program that they are ill-equipped to discharge. They are faced with the taxes that are incident in getting into the road building business, and they feel generally that if they have contracts that extend beyond 1 year, oftentimes they may plan their program and find that the value of timber that was contemplated in their bidding procedures rises in value, and as a consequence, if I

understand them correctly, they are being required to build more roads or build it to a higher standard and this may pose very real problems for them.

They would hope that this program might be reviewed and if possible, that the road building could be done through appropriated funds rather than through this present program that has found widespread use throughout the forest system.

Generally, I think those are the concerns of the small timber operators, and they seem to me to be important. The role that these small operators play, though not significant maybe in terms of national employment, are very important, as you and I know, to smaller communities.

They do use a renewable resource. They provide materials that make possible home construction. We are behind schedule on our home building program in America. They stabilize the economy of small communities. They provide jobs, good jobs, that result in production of goods that are vital to America, and I think they make for eminent justification of their existence.

I would hope that your committee might be able to listen closely to their pleas and their plight and see what could be done in the way of resolving them.

Lastly, just one word about the Forest Service. It has been my privilege to be raised in that part of the west where we have been surrounded by forests. I have nothing but the highest regard for Forest Service personnel and I would be misunderstood if it were to be inferred from my remarks that I am speaking critically of the philosophy or the desires of Forest people.

I think they have their problems. I know they do. I know they are trying to implement policy that has been written by the Congress in a manner that will address the concerns of small communities and of regional areas, and at the same time, to give as much consideration as can possibly be given to each forest user.

I hope by bringing these problems to your attention and to the attention of our friends in the Forest Service, there can be a resolution of them in a way that will make possible an enterprising operation for the small timber operators.

Thank you, very much, Mr. Chairman.

Senator McCLURE. Senator Hansen, your statement will appear in full at the beginning, followed by the remarks which you just made. One problem to which you made no reference in your general statement may be included in your prepared statement. That is the proportion of money which flows to local Government under the general act.

I am certain that in your State of Wyoming, like in my State of Idaho, this is a matter of concern to the counties, because under the original act, 25 per cent of the net revenues from the proceeds of sales was to flow to local government for roads and schools. Your county commissioners and local school people, have they expressed any concern over the diversion of this money into road building?

Senator HANSEN. I am not certain how active the county commissioners in Teton County have been in this regard. There is obviously wide concern, I know as a former county official myself, we were always watching the receipts of funds that went to Federal agencies, from which returns later were to be made back to the States for distribution

to the counties and communities. So I am fully aware of the problems that you address.

I might say in my particular area, I suspect there has been concern because of the uniqueness of Jackson Hole maybe, that we may be building too many roads rather than too few. So in this respect, the county commissioners will probably be in a rather ambivalent position on the one hand, feeling they would like to—well, maybe not ambivalent so much either.

I suspect their concern to have fewer roads built would serve very well the objective of having more of the funds going to the Forest Service for redistribution to the counties. I think that is as precise as I could be about their feelings without having talked personally, nor having heard from them on the specific points you made, Mr. Chairman.

Senator McCLURE. Thank you, very much, Senator Hansen.

[Senator Hanson's statement follows:]

STATEMENT OF HON. CLIFFORD P. HANSEN, UNITED STATES SENATOR FROM THE STATE OF WYOMING

Mr. Chairman and members of the Committee: Thank you for the opportunity to appear on behalf of the interests of small timber operators in my State of Wyoming.

We have had occasion to review timber sales on the Wasatch, Ashley, Caribou, Teton and Bridger National Forests in Wyoming and Utah. In the course of the review, I became aware of several problems and I want to call them to the attention of this Committee with the hope that a solution can be found.

The first problem concerns the amount of timber offered for sale on those particular forests and the timing of the sales. It is my understanding that the amount of timber being offered is not sufficient to provide the raw materials for the timber operators in those areas. Consequently, the mills are not able to supply demand.

A second problem—related to the first—is the quality of the timber being offered for sale on those forests. Salvage sales with low recoveries produce low value products which are not readily marketable. While there is a demand for products such as 1 x 12's, it is not possible to cut boards of this size from the timber generally offered for sale on those forests.

A third problem is the fact and many timber sales are appraising out with a negative fair market value. In spite of this fact, the timber sales are still required to bear the cost of construction of multipurpose high standard roads.

The timber set-aside program on the Teton, Bridger and Caribou National Forests is a serious one. I am most disturbed over the failure of the Forest Service to effectively implement the SBA–USDA agreement of 1971 in these forests.

As I know your Committee is aware, Mr. Chairman, Federal policy is to protect the interests of the small business sector of the timber industry, and the set-aside program is the important tool in implementing this policy. Last August, USFS Chief John McGuire in his testimony before the Senate Subcommittee on Small Business of the Committee on Banking, Housing and Urban Affairs, said that the set-aside program is very relevant and has proven effective for protecting the interests of the small business sector of the timber industry.

However, I understand that as of March of this year, only two set-aside timber sales had been offered on the Teton, Bridger, and Caribou forests since the set-aside program was initiated in 1971. That, Mr. Chairman, is a shocking statistic. And the intervening months since March have produced no particular turn-around in the policy which is most unfortunate.

Obviously, the set-aside program is vital to the survival of the small business sector of the timber industry and those operators are entitled to the protection of an effective program.

The problem of the set-aside timber sales program for small business affects 20 operators that depend on timber from the Bridger-Teton National Forest.

Congress moved in this area more than four years ago but apparently the Forest Service and the SBA have found reasons for not really implementing the program.

The percent of timber available on the Bridger under this program for example, is 6 percent and the percent available on the Teton is about eight percent. The use of the 1966–1970 years as the base period for the set-aside program has proved disastrous for the small operators, I am told.

And meetings with the Forest Service and the SBA have not resulted, so far, in changing that program to be more responsive to the needs of small operators benefitting small communities.

The road problem is of major concern because it is so expensive. From what I can learn, the Forest Service has developed a habit of getting the roads it needs built by the timber industry, even though what is built is excess in quality and quantity of that really needed for timbering. This was perhaps not so bad when lumber prices could support the high cost. However, with the low market and the deficit sales being offered, it is highly questionable as to whether these practices should be allowed to be continued. The practice has permitted the Forest Service to get the roads it wanted, even though it couldn't get appropriations from Congress for that purpose. The industry feels the Forest Service is building a lot more roads than it can maintain; and the maintenance money must be appropriated by the Congress. Thus, operators feel that they are being required to build roads which the Congress will not provide the money to maintain.

Mr. Chairman, Dan South, Manager, South and Jones, Evanston, is a personal friend of mine and a small timber operator. What he has to say is important:

"In regard to Forest Service roads and policies concerning roads, I submit the following points—

1. It has come to our attention that in many cases, Forest Service budgets spending for timber access roads, then spends the money on many things other than roads. For example, keeping unneeded engineering staff and then sometimes doing the engineering for a road over and over because of changed specifications within the forest service organization. A survey on an 8-mile stretch of road was done eight years in a row and they pulled up the stakes from a previous survey to "avoid confusion." In many cases, this money is spent with little or no actual road ever being constructed and many, many plans are left strictly on the drawing boards. It is not uncommon to travel a 20-mile stretch of road in Region Four and find three or four classes of roads. Budgeting methods should be changed, making the forest service more responsible and a line-item approach would show where and how this money is spent.

2. Timber operators feel that the road-building program is putting an unfair burden on them because in its failure to construct roads, the forest service is forcing operators to go into the road construction business in order to harvest timber, a business that they are usually ill-equipped to perform and do not desire.

For example, on many timber sales, timber access roads are far in excess of actual requirements for removing the timber and protecting the environment. Engineers within the Forest Service have even made the statement that some of these roads are "roads to nowhere," because they are usually closed to the public after the timber has been harvested.

In addition, timber operators feel that a more equitable way could be found for figuring road costs for timber access roads. As an example: A man has a timber sale. When he bought the sale, the Forest Service figures a $30,000 road cost. The sale has a three-year time limit and the operator could not work the sale the first year; the second year he builds the road at a cost of $45,000 raising his cost per thousand with no chance of recovering this money. Yet, within the Forest Service contracts, there are escalating clauses to bring more money per thousand to the Forest Service in case lumber prices should increase. This is unfair.

3. On some forests in Region 4, timber operators are assessed a ton-mileage fee in the form of a per-thousand fee and this is money for deferred maintenance. This is while hauling logs on roads built with timber access money. They also have to pay federal gas and diesel tax, excise tax on tires and tubes and other taxes. Operators feel if this is fair, the general public should also be asked to pay the same kind of "double taxation."

4. Regarding the set-aside sales, a more active SBA timber set-aside program on the Bridger National Forest in Wyoming is absolutely required. The small timber operators met with me in Wyoming recently and feel strongly dangerous precedent has been set in that area. All anyone has to do is look at the records of the Forest Service and the demise of the small operators is evident. If the base period is examined as set by the SBA and the Forest Service—1966 to 1970—one can find that small business bought 6.3 per cent or 6.4 mmbf (million board feet) and big business bought 95 mmbf. This is what needs to be pointed

out: with that kind of a base already set, small operators are finished on the Bridger "National Forest" where Dan South operates.

Help is vitally needed with some of their problems and Congress did, in fact, intend for the SBA-timber set-aside program to do just that.

The problem seems to be in the administration of the program. The Forest Service and the SBA have the latitude to make adjustments in the base period in order to give small businesses a fairer share of the federal timber. That needs to be done immediately, Mr. Chairman.

In recent talks between the small timber operators and the SBA and Forest Service, the federal personnel agreed to "watch" the sales program on the Bridger and if they saw a problem, they indicated they "may" try to do something about it. That just isn't good enough, Mr. Chairman.

Unfortunately, most small operators are pretty frustrated and feel that their needs are not being addressed and some question the good faith efforts of the Forest Service personnel. Criticism such as this may serve no useful long-range purpose, but it is the fact of the matter in the field and is most regretable.

The problems are difficult but they must be addressed. The importance of these small operators to individuals, families and communities is hard to evaluate fully. Using a renewable resource, supplying a critical item indispensible in building homes, providing jobs for people who want to be self-supporting, these small operators must be kept in business.

These operators—and their employees—will keep trying, I know, under some adverse circumstances.

But they need your help, Mr. Chairman, and the help of your Committee. Thank you.

I speak particularly on behalf of the smaller timber operators. We have some 20 of these, I think, operating in the State of Wyoming, and their specific concerns have been two:

First: They are concerned about the amount of the set-aside program, a program that was worked out between them, the SBA and the Forest Service, in making provision for smaller sales. They have been disturbed because, included in those sales, has been in their judgment an exorbitant amount of dry or less than first-class material that they find hard to market.

I don't say the program should be changed certainly without examination, but I know their experience has been that they are faced with cleanup areas that present them with the problem of trying to market materials that they find generally not readily acceptable in the marketplace.

Second: They are disturbed about the extension of the road building requirements that go with the purchase of timber.

As you indicated in your statement, this has been a mechanism whereby the forest has been able to extend and expand its road system, and certainly there is much to be said for that.

Senator McClure. The next witness is Mr. Rex Resler, the associate chief of the Forest Service. Suppose you get the men with you, please, and proceed in whatever way you wish.

STATEMENT OF REXFORD A. RESLER, ASSOCIATE CHIEF, FOREST SERVICE, ACCOMPANIED BY: MAX PETERSON, DEPUTY CHIEF, PROGRAMS AND LEGISLATION, AND FRANK HAMMOND, PLANNING AND PROGRAM MANAGEMENT ENGINEER

Mr. Resler. Thank you, Mr. Chairman.

I have with me this morning Mr. Max Peterson, deputy chief for Programs and Legislation, on my right, and Mr. Frank Hammond, who is our Planning and Program Management Engineer in our Washington Office.

Mr. Chairman, we welcome the opportunity to participate in this oversight hearing on the National Forest roads and trails program.

Our ability to manage the National Forest System in accordance with the conservation principles established by Congress in the Multiple Use-Sustained Yield Act of 1960, is greatly dependent upon a transportation system which will remain essentially land based.

The relationship between natural resource management capability and a road and trail transportation system is still probably best expressed in legislation that was considered and reported by this committee in July 1964, and became the Act of October 13, 1964, or as we refer to it, the National Forest Roads and Trai's Systems Act. Section 1 of that act set forth the following findings and declarations:

> That the construction and maintenance of an adequate system of roads and trails within and near the national forests and other lands administered by the Forest Service is essential if increasing demands for timber, recreation, and other uses of such lands are to be met;
>
> That the existence of such a system would have the effect, among other things, of increasing the value of timber and other resources tributary to such roads; and
>
> That such a system is essential to enable the Secretary of Agriculture to provide for intensive use, protection, development, and management of these lands under principles of multiple use and sustained yield of products and services.

All the highway systems funded through the Federal Aid Highway Act authorizations directly or indirectly serve the lands within the National Forest System. The Systems that most directly affect the management of these lands are the Forest Highways and Forest Development Roads and Trails.

The Forest Highway System is composed of designated forest highways in and adjacent to the national forests. These highways serve as main traffic arteries and are of primary importance to States, counties and local communities. In many cases, these highways provide the only means by which local communities can transport products to market and receive supplies and raw materials for their livelihood.

These highways provide important connecting links between forest development roads and other highways in the Federal Aid System. They are needed for such purposes as moving timber from the forest, people to and from the recreational developments, and livestock to and from range. The Forest Highway System is administered by the Department of Transportatipn through the Federal Highway Administration. The existing system contains approximately 23,000 miles of highway, but this number is dwindling due to reclassifications and inclusion in other Federal Aid Highway Systems.

The Forest Development Roads and Trails System serves primarily to facilitate the protection, administration, and utilization of National Forest System lands. The Department of Agriculture through the Forest Service has the responsibility for constructing, maintaining, and operating the system of Forest Development Roads and Trails. To carry out this responsibility, we presently have three principal sources of financing.

They are: (1) funds authorized under the Federal Aid Highway Act and appropriated by appropriations acts; (2) timber credit allowances authorized by the National Forest Roads and Trails Systems Act of 1964; and (3) the 10 percent allocation from national forest receipts authorized by the act of March 4, 1913. In addition, emergency funds authorized under 23 U.S.C. 125 are available to repair roads and trails damaged by natural disasters.

We are now maintaining over 205,000 miles of roads and approximately 96,000 miles of trails that are part of this system. On the basis of current planning assumptions, we estimate that an additional

135,000 to 150,000 miles of roads and 24,000 miles of trails will be needed to complete the national forest land transportation network for optimum levels of management.

These projections are subject to modification as land use plans are completed and as resource management goals and objectives are formulated pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974. Transportation system planning is a basic part of the land use planning process and the process for the development of the Renewable Resource Program required by the 1974 act.

To better integrate transportation planning concepts with land and resource planning concepts; we are in the process of redefining the various classes of forest development roads and their function. We have with us today some displays of the new road classifications to illustrate how road designs and standards relate to road functions.

The Forest and Rangeland Renewable Resources Planning Act of 1974 includes a provision which links part of the National Forest Roads and Trails Act of 1964 to the Budget and Impoundment Control Act of 1974. The provision requires that the timber purchaser credit construction program authorized by section 4(2) of the 1964 act be effective only to such extent or in such amounts as are provided in appropriations acts.

Congress must now authorize a program level to include the financing of roads constructed by timber purchasers. We are, therefore, prepared to discuss current and planned road construction activities conducted through the various methods available to us.

This concludes my introductory statement, Mr. Chairman. I will be happy to respond to questions, or if you desire, I could proceed to illustrate our new system for classifying forest development roads.

This system of roads and classifications is being implemented by the Forest Service to closely parallel functional classifications systems in Federal, State and local uses. These terms exactly relate to the concepts described in the FHWA Reference Manual dated July 1974.

Forest Service roads are considered another hierarchy of the functional systems, on page 208 of the manual. The term "forest" is an integral part of the classification names. These terms will be used in planning development and operational activities to describe the relative service level and functions of a facility.

The first is the forest arterial roads. These provide services to large land areas and usually connect with public highways or other arterial roads to form an integrated network of roads. The locations are often determined by the demand for maximum mobility and travel efficiency, rather than the most efficient resource management. They are developed for land resource services and constant service. You see on the map the distinction we draw between the arterial and the public highway systems.

Senator McCLURE. May I interrupt to ask this question: How do these terms relate to the terms you have been using in the past?

Mr. RESLER. The public highway has not changed significantly. The principal difference is that an interim development road would now be classed as arterials.

Senator McCLURE. That is not part of the Forest Highway System?

Mr. PETERSON. It could be.

Senator McCLURE. It can be, but might not be. It will be a composite of both. Is that correct?

Mr. RESLER. Yes.

Now, you have on the other card there a showing of the traffic representation of the forest arterial system. As we have indicated, it is generally a two-lane, hard surface, high-speed road and obviously because of the cost range, these are generally Government financed with appropriated funds.

Senator McCLURE. Part of that will again be under the Forest Highway System and part of it constructed under the authority of the Forest Service?

Mr. RESLER. Yes.

Now, if we can move to the collector roads, they are the roads that serve smaller land areas and are usually connected to a forest arterial or to a public highway. They collect traffic from local roads or terminal facilities. The locations and standards are influenced by the long-term, multiresource service needs, as well as travel efficiency.

Forest collector roads may be opened for either constant or intermittent service, depending upon a land use and resource management objective for the area served by the facility. You see also pictures of the changing standards of roads, as we move away from the arterial to a lower standard road on the collector system.

I think where the collector system is concerned, we might elaborate a little further on the relationship of purpose of timber purchaser construction and government construction. On this chart, we show an example of assumptions that would apply. We have large volume sales and/or additional controls written into sales contracts which could materially change the criteria listed below.

The collector system is the middle range between the primarily federally constructed arterial road and the primarily purchaser constructed local system. The precise method for construction will vary, depending upon the timber harvest activity. If any of the following criteria is present, the road should be considered for construction methods listed.

For instance, those primarily government—public works contract—constructed, the road function is closer to the arterial concept than the local concept. It serves several concurrently operating sales and/or nontimber functions. Mobility through traffic and large land area service is more important than small land unit access. Road construction conditions are too difficult or costly for the usual capability of timber purchasers who are expected to bid on the sale, or long access roads requiring high construction costs or effort before timber harvest areas are reached, are some of the basic criteria for constructing such a road by appropriated funds.

Those that we would consider for purchaser construction would meet these criteria: The road function is closer to local than arterial in character. The planned increment of construction serves only one planned timber sale at the time of construction. It would provide for small areas of land access which would be more important than mobility or through traffic.

Senator McCLURE. You say at the time of construction. Don't you often, as a matter of fact, plan those for extensions to other sales at future times?

Mr. RESLER. Quite frequently, yes.

Senator MCCLURE. That seems to me to indicate quite a different criteria for the allocation of costs.

Mr. RESLER. Here again, Mr. Chairman, the idea would be if the immediate section to be developed is primarily access to timber, such as is graphically shown there, we would consider that appropriate for purchaser construction.

Senator MCCLURE. Even though it is not ultimately intended by you to service only that timber sale?

Mr. RESLER. It might well carry on as access to additional timber areas. The distinction would be whether or not it is a higher standard road constructed initially for primary access.

Senator MCCLURE. It might, in fact, end up being an arterial for a section laid farther away?

Mr. RESLER. We would normally call that a portion of the collector system. It might tie in with an arterial; yes.

Senator MCCLURE. If it can be financed out of the timber sale, it would be your intention to do so?

Mr. RESLER. That would be an option available; yes. Now let me clarify this. In some areas, we would still find this collector-system road accessing enough timber of such value that it would be reasonable to continue to construct it in sections as a part of the purchaser-timber sale requirements.

Now what I am talking about is the extension of the same basic type of road system. Quite frequently, we will open up a given drainage by one or two, or three timber sales rather than a single timber sale. The purpose is primarily for accessing adjacent resources rather than some of the functions of an arterial system.

Senator MCCLURE. Assume that drainage lies between two other arterials and you desire to connect the two arterials by a road that goes through drainage. You could finance what in effect becomes an extension of the arterial system, a linkage between two arterials, by the timber-purchaser-credit method?

Mr. RESLER. Yes; we are suggesting this type of a situation you described might well be partially developed by timber purchaser and partially by contract with appropriated funds.

Senator MCCLURE. Go ahead. I will have further questions later.

Mr. RESLER. We would consider these primarily to be constructed by the timber purchaser. These would be the road systems that are essentially related to the development of the timber for a given sale, or possibly a continuation of that sale.

The next is the forest local roads, we call them. These roads connect terminal facilities with the forest connector or forest arterial roads. The locations and standards are usually determined by that required to serve a specific resource activity rather than travel efficiency. Forest local roads may be developed and operated for either long- or short-term service.

I think you have had pointed out to you the local system as it applies to the total. These are generally the one-lane roads made of an earth or gravel surface, possibly using dust abatement materials. They are designed for slow speed, primarily for timber or recreation access, but there may be other values accruing to any portion of the road system, obviously.

Finally, there are terminal facilities. These are temporary structures. They are not on the road system. They may be timber financed or financed by appropriations; but the kind that would be timber financed, for instance, would be a log transfer site or helicopter transfer site.

Other kinds of terminal facilities would include permanent structures, not necessarily on the road system, such as boat ramps, recreation parking, and other facilities of that kind. These would be constructed with appropriated funds.

Now, Mr. Chairman, that gives you a thumbnail sketch of the change in the system as far as the design and classification is concerned. You have this summary publication that we would like to provide you for inclusion in the hearing record, if you so desire.

Senator McCLURE. Thank you, Mr. Resler.

I notice that your definition and your map both indicate that a forest local road will be constructed by timber-purchaser credits. Is that correct?

Mr. RESLER. Yes.

Senator McCLURE. I notice also, both by your presentation and by the chart, that the forest local road will connect terminal facilities with collector or arterial roads. I notice also some of your terminal facilities are purchaser credit construction, and some are appropriated funds, and some are temporary and some are permanent.

To the extent that a local forest local road under your proposed classification is a connection to a permanent facility, that forest local road has a use and a value which is unrelated to the timber value, is that not correct?

Mr. RESLER. It could have additional values, yes.

Senator McCLURE. Well, you show here as part of your terminal facilities permanent not on road system, government financed. You show both ramps and recreational parking. Those are not related to the timber value, are they?

Mr. RESLER. No, sir; they are not.

Senator McCLURE. Even though those are to be connected by the timber purchaser credit-timber financed roads, they have a use totally unconnected with the timber that was harvested out of which the road was constructed, is that not correct?

Mr. RESLER. That is correct. There is no indication that all of the local road systems would be built by timber purchasers. Local roads might also access other kinds of activities such as campgrounds which would be constructed with appropriated funds.

Senator McCLURE. How much of what you would call forest local roads have been constructed with appropriated funds in the last 2 years?

Mr. RESLER. The only ones that come to mind are those added by congressional add ons.

Senator McCLURE. If it had not been for congressional action, you would have constructed absolutely none?

Mr. RESLER. That is right.

Senator McCLURE. Of collector roads, how many of them have been constructed with appropriated funds in the last 2 years?

Mr. RESLER. There were some additional add ons that would relate——

Senator McCLURE. Again it was congressional action that indicated the use of the appropriated funds for collector roads. If it had been Forest Service action alone—or executive branch action alone—it would have been totally purchaser financed credits?

Mr. RESLER. Yes.

Senator McCLURE. So the only appropriated funds absent congressional action that would have been spent on these road systems would have been associated with the arterial roads?

Mr. RESLER. That is correct.

Senator McCLURE. What proportion of the arterial roads were built out of appropriated funds and what proportion have been built in the last 2 years out of purchaser road credits?

Mr. RESLER. Again, Mr. Chairman, there would be no arterial standard roads constructed in the last 2 years.

Senator McCLURE. So all of the road system you are referring to here is being built out of timber purchaser credits?

Mr. RESLER. In the last 2 years, as a matter of priorities, yes.

Senator McCLURE. You say a matter of priorities. Does that mean you have not had enough money to put into these other things?

Mr. RESLER. Yes. It means that the decision was made in order to hold down the Federal expenditure level, the appropriated funds would be curtailed in favor of using timber purchaser credits.

Senator McCLURE. You had a total last year of, I think $175 million in appropriations of which only $66 million was actually applied toward road construction. Is that correct?

Mr. RESLER. I don't have that figure in front of me immediately, but it sounds very close.

Senator McCLURE. Of the $66 million, $8 million was spent for bridges. Is that correct?

Mr. RESLER. Yes.

Senator McCLURE. Let me give you the composite figures. While you are looking, perhaps you can find the others for me as well. Of the $175 million appropriated, $66 million was actually applied: $8 million of the $66 million toward bridges, $38 million for timber roads, and $20 million for the other roads. Is that correct?

Mr. RESLER. Very close. The only difference I see is looking at the cash appropriation, or actual obligations. This is cash here. The total cash available in 1975 was $171 million. Of the program, $40 million went for maintenance, $5.6 million went for bridge construction, and $14.6 million went for recreation and other all-purpose roads.

Senator McCLURE. You say not all of the appropriated money was expended because a judgment was made that it was important to hold down total Federal spending. Is that correct?

Mr. RESLER. That is correct.

Senator McCLURE. Budgetary impact of what we are talking about, I assume?

Mr. RESLER. Yes.

Senator McCLURE. Now, if we simply transferred the expenditure from appropriated funds to a purchaser road credit, the purchaser road credit, if it were unused for building roads, it would have generated cash which would have flowed into the Treasury. Is that not correct?

Mr. RESLER. That is correct.

Senator McCLURE. Therefore, the impact of the road building is precisely the same on the total Federal deficit. Is that not correct?

Mr. RESLER. The only difference would be in the timing. There might be some delay.

Senator McCLURE. The other difference would be in the 25 percent that the counties don't get?

Mr. RESLER. Correct.

Senator McCLURE. So to the extent that the Federal expenditure is changed, it changes in timing and it changes in amount only to the extent that the money is thereby diverted away from local government. Is that correct?

Mr. RESLER. Yes, that is correct.

Senator McCLURE. I don't want to ask you embarrassing questions because I realize the Forest Service has not always acquiesced in all of these policies. I recognize that a good number of them were mandated by OMB, an executive decision, through the entire executive agency. But I have no way of getting to the record except by asking you the questions.

Mr. RESLER. Mr. Chairman, I am sure you also recognize there are some economies involved also in the purchaser construction as opposed to a construction program under appropriated funds.

Senator McCLURE. I am sure those would be fascinating.

Mr. RESLER. There is some difference in the actual cost.

Senator McCLURE. You mean the private contractor does it more efficiently than the government does?

Mr. RESLER. I would prefer to say it this way.

Senator McCLURE. All right, say it your way.

Mr. RESLER. When the actual construction work is accomplished by timber purchasers, there is some economy in the sense there is considerable equipment already on hand on the location.

We recognize that sometimes timber purchasers actually sublet the entire contract to an entirely different operator and this would not apply under those circumstances. Also there are overhead, profit and risks allowances, and rights-of-way clearing costs spread over the total sale. Those costs are reflected in the total sale as opposed to the construction of the road itself.

Senator McCLURE. The costs are the same, aren't they?

Mr. RESLER. In the long run, but they do not appear in most of the summaries, the reason being that more or less the direct construction costs to the purchaser are reflected in the purchaser credit, whereas these additional costs are not included in purchaser credit.

Senator McCLURE. Are you inferring that the purchaser absorbs these costs?

Mr. RESLER. No. I am suggesting that there is a difference between purchaser credit representation and all of the costs. Some of it appears elsewhere in the timber sale appraisals and, therefore, the purchaser credit allowance is less than the total road cost. Additional costs are picked up in the full timber sale appraisal.

Senator McCLURE. They are picked up?

Mr. RESLER. They are picked up.

Senator McCLURE. Then there is no economy; is that correct? They are either picked up or they are not. If they are picked up, there is no economy. If not, they are absorbed by the purchaser.

Mr. RESLER. They are allowed, to the best of our ability in the timber sales appraisals. In that sense, there is no economy. Where the economy does occur, it appears to us on analysis, is that there is some difference in wage rates and actual cost of construction between the construction industry; that is, the ones we deal with when we build roads, and under appropriated funding contracts, as opposed to when the timber industry does it themselves.

Now these are some distinctions. I would not hold them up as being major, but I think they do need to be recognized. They are some of the reasons why we favor continuing timber-purchaser construction on certain classes of roads.

Senator MCCLURE. Now I am fascinated for just a moment, because something gets to these figures, something happens to these figures that is confusing to me. Either the timber purchaser gets by with a lower standard of construction, or the cost estimates made for construction are too low, or the cost of a contracted road is too high, or the proposed economies we talked about do not occur.

Mr. RESLER. Well, let me see if I can enlighten the matter slightly. First off, I think you would recognize that if there were some differences in the scale of payment for labor between the construction industry as opposed to the timber industry, there would be some differences reflected there.

Senator MCCLURE. If, indeed, there is a difference in wage scale, and if the total cost of that labor are the same, I am talking there about not just wage scales, but the fringe benefits, and the unemployment compensation levies. Have those been taken into consideration?

Mr. RESLER. I think we can demonstrate some of those differences based on some averages in our cost allowance. I would not wish to make——

Senator MCCLURE. That is the question I am getting to. Is your cost allowance, therefore, too low to the forest industry, and you, therefore, show an economy by forcing them to shoulder some of the burden of the cost of building the road?

Mr. RESLER. Mr. Chairman, that is not the intent, certainly.

Senator MCCLURE. I know it is not, but I wonder if that is a result.

Mr. RESLER. What I am talking about is comparing those to a cost experience with the same types of cost experiences garnered under our contracting work. I think the other point I would like to emphasize is that we can't look at purchaser credits alone and assume that is the full cost or the full value of the road.

There are additional costs picked up in the regular timber sale appraisal. They can be pulled out and added to purchaser credits to represent the full cost. That is a distinction I was trying to make.

Senator MCCLURE. I am not sure I understand the distinction. As it relates to your initial statement, there are economies in having them build the roads.

Mr. RESLER. Well, there definitely is a lower cost in timber-purchaser construction on certain classes of roads, the lower class of roads, than there is on like standards under contract, and I have tried to outline two or three of these that we surmise are the reasons.

We do not agree that there is any difference in the standard of construction, nor do we permit the forest products industry to build

lower standards or get away with that, if you will, in quotes. "Our objective is to administer all contract work in a like form."

Senator McCLURE. It would seem to me if you identify something as actually costing you less, you ought to be looking at whether or not your cost estimates are actually shifting a burden. Whenever somebody tells me you get something for nothing, I start looking for the hidden price tag. There is usually a hidden price tag there somewhere that balances the books. I don't know that that works in Government, but it seems to. It works everywhere else.

Mr. PETERSON. Let me see if I can add a little bit. You recognize the timber purchaser is in the area with his equipment. He can build the road while his equipment is in there and he can build it cheaper than somebody bringing in road building equipment.

Senator McCLURE. He could build it cheaper if he were the contractor of it, could he not?

Mr. PETERSON. I am saying if the timber purchaser already has equipment in the area——

Senator McCLURE. I am talking about if the timber purchaser were to contract the road?

Mr. PETERSON. He might or might not. It depends on where he gets the equipment from.

Senator McCLURE. It is already there. He is going to contract the road. You put the road out for bids and he has the equipment there and has an edge on the competition and can bid the road cheaper.

Mr. PETERSON. Yes, he could bid on the road, if he desired to do so.

Senator McCLURE. If, indeed, you didn't shift all of the road building to the timber purchaser, there would be more contractors in the field and they would have their equipment, would they not?

Mr. PETERSON. Yes, sir, that is right.

Senator McCLURE. Therefore, you would get a lower bid.

Mr. PETERSON. We might, yes, sir. The other thing Mr. Resler was pointing out is that there is a difference in many parts of the country between wage rates between the two industries—timber industry and construction industry.

It is a little complicated in that we do provide for overhead, profit, and risk for the sale as a whole, where if you were going out separately to a public works contractor, he would not be able to benefit from that overhead profit and risk allowed in the sale appraisal. We would have to allow that again. I think this would take a detailed discussion, but there is some valid difference between the two costs. A lot of them are bookkeeping costs, in the appraisal as you pointed out.

Senator McCLURE. I am not sure you convinced me, but I heard you.

Mr. RESLER. Mr. Chairman, we don't want to make too much of the point of difference in cost. We recognize through actual cost experience there is some difference. Some of the differences can be explained. Some we are not able to explain.

I think the key point we would want to underscore is the necessity for having both mechanisms available. There are certain portions of the total road system that are very appropriately and very effectively built by the user, in this case the forest products industry as it relates to access to timber.

Senator McCLURE. I understand some of the things that have gone into the decision to transfer more and more of the road building burden to the timber purchaser. Some of them have been budgetary restrictions. To the extent that it has been so, I do not blame the Forest Service for this excessive shift. I think they are the captives of Executive decisionmaking, as is the Congress. Perhaps no more so, but as much.

To the extent the Forest Service desires to make the rather complete shift, I am not sure I will try to defend the Forest Service for that.

Mr. RESLER. I am trying to say we believe there should be a realistic effective balance, between purchaser construction of principally timber sale access roads, and by that I mean those essentially to access a timber sale, and a continuation, or even expansion of the road construction by appropriated funding, if we are going to develop the full capabilities of the forest road system and at their optimum level of construction.

Senator McCLURE. There are a good many forest roads that are built which you in your new characterization could call local roads that are designed only for the access to timber harvests, in areas where you will not be going back in for a great many years, for the next round of timber harvest. Is that correct?

Mr. RESLER. That is correct.

Senator McCLURE. Those roads, if they continue to be opened in the interim period of years, serve uses totally unrelated to the timber harvest, is that not correct?

Mr. RESLER. Yes, that is correct.

Senator McCLURE. The question, then, becomes whether or not the roads were engineered to the appropriate standards for the purposes which you say they are constructed for?

Mr. RESLER. Mr. Chairman, most of these local roads would be designed to a standard if they are going to be kept or for a minimal order of use and interim access for cultural work, for instance, that we may do or may have done by a contractor. They would be designed to a standard that would protect them from deterioration, from causing adverse environmental effects on the land. They would be what we would refer to as a minimum road.

They may be permanent and they might even have a rock surface and permanent drainage to be sure that they do not degrade the scenery or the environment. They may also be very low-standard roads in the sense they would be put to bed, closed, until the next entry.

In those cases, even though they were closed, they may have use by other parties, for instance, hikers, horseback riders, snowmobilers may use the road system, but the primary value is for access to the timber.

Senator McCLURE. When you mean closed, you mean physically barred to vehicular traffic?

Mr. RESLER. Yes.

Senator McCLURE. How about the ones not physically barred? The ones you have no real use for, except for the possibility of fire access or something of that nature?

Mr. RESLER. Fire access, repeated entry for cultural work, planting, timber stand improvement work, they would all be values, as well as hunter access and other peripheral uses.

Senator McCLURE. Hunter access and things of that nature have no relationship to the costs that ought to be borne by the timber purchaser. He is not interested in building roads for hunters to get in there. That may be a peripheral benefit, but I am not sure they are anxious to do that.

Mr. RESLER. Mr. Chairman, I think the key distinction here is that the timber purchaser is building the road, but the public is paying for the cost of the road. Therefore, it is available to the general public unless for management purposes it is selected to be closed for reasons of economy or whatever.

The point I would like to emphasize is whether the timber purchaser builds the road or not, it is still the public that is bearing the cost in a manner very similar to the manner in which appropriated construction would be covered.

Senator McCLURE. The public is going to pay the cost through the pricing of the product which is marketed, is that not correct?

Mr. RESLER. That is correct, through reductions in receipts to the Treasury.

Senator McCLURE. I agree. If that is true, why do you want then to transfer so much of the cost to the purchaser?

Mr. RESLER. Well, I guess the point of difference, or at least my lack of understanding of what you are saying, Mr. Chairman, is how much is transferred.

What we are suggesting in the long run is that those sections of the roads, either collector, local or temporary, that access primarily the timber for a given timber sale operation, we ought to have the flexibility to assign those costs to purchaser credit through reducing timber sale receipt.

There is nothing to prevent us in those same situations if the value of the timber or other commodities are such that they will not effectively carry the allocation of costs, then they should be supplemented and/or built by appropriated money. We need that flexibility for the simple reason that there is a good deal of difference in the value of timber from one area to the next, as you well know, and from one time to the next.

Two years ago, many of the areas and timber types could carry the cost burden of constructing roads. Then there was a decline in the market and some suddenly turned deficit. This is a problem.

Senator McCLURE. What you are really saying is the real criteria for determining whether it be built by timber purchaser credits or whether the sales will generate enough volume of money to pay for the roads, and that wherever it is possible to get the roads built by timber purchaser you will, and you will not only when there is not enough timber there?

Mr. RESLER. No, sir, I am saying that, but not to the degree you are paraphrasing. I am saying that certainly the value of timber is one of the criteria. There are others. That has to do with the definitions we have used here. We think it is very appropriate that regardless of the timber values at the present time, for a certain class of road they ought to be built by appropriated moneys. We are looking for a different standard of construction or maintenance.

Senator McCLURE. You are looking at what—when I ask you what has been spent in the last 2 years on arterial, collector or local, they have all been paid for by timber purchasers?

Mr. RESLER. Yes, sir. We would hope, Mr. Chairman, that is a short-term situation. We recognize it has its serious limitations. In the long run we would look to more balance.

Senator MCCLURE. You are saying that that balance as you look for it would be that the arterials be financed in the main by appropriated money, but you have not said totally?

Mr. RESLER. Yes, we consider that.

Senator MCCLURE. And the collectors would be financed partly by appropriated money, but mainly by timber purchaser credits?

Mr. RESLER. I don't know that I would say mainly. It might well be. Would you have a figure on the proportion?

Mr. HAMMOND. No, we don't have a figure, but I think the question now is, as you have stated, Senator, we are talking partially about a standard criteria, and in the sales and under the 1964 act, we can only build that standard that the timber purchaser needs to get the logs out.

Now, where in many cases that standard is equal to or exceeds the standards of the hunter requirements or other requirements, then we would build that through the purchaser allowing credits as a function of the sale.

Senator MCCLURE. I will get back to that point, but go ahead.

Mr. HAMMOND. To answer your question about the arterial or collector, the road systems we have built in the last couple of years, we may have built roads on arterial locations, but we have not, by virtue of the 1964 act, been able to build arterial standards because we have not had the appropriated funds that would be necessary to exceed what the purchaser credit would be applied against.

Therefore, most of the road system would still be in the lower end of the collector and the local service type of road, even though it might be on a major arterial route.

Senator MCCLURE. If I understand you correctly, you say as a matter of fact that the major appropriated funds would be on the arterial system, some on the collector system?

Mr. HAMMOND. That is correct.

Senator MCCLURE. When I said the major portion of the collector system would be financed out of timber purchaser credits, I am not sure I understood your answer.

Mr. HAMMOND. Again, we would expect—I don't have a figure, but less than half of that collector system would probably go to the standard we could build on purchaser credit.

Senator MCCLURE. Less than half?

Mr. HAMMOND. Yes.

Senator MCCLURE. You would expect more than half would be paid for out of appropriated funds?

Mr. HAMMOND. I would expect that.

Senator MCCLURE. That is what you would desire, if you could get the Congress and administration to go along with it?

Mr. HAMMOND. Correct.

Senator MCCLURE. And the total cost of the local system would be borne by the timber purchaser credit?

Mr. HAMMOND. Those that relate to timber sales. Those locals that are part of recreation and other activities without timber influence, we would build.

Senator McCLURE. If there is timber influence, they would pay the whole cost, even though there are recreational benefits?

Mr. HAMMOND. I would have to qualify that as to which use or function required the higher standard.

Senator McCLURE. If you are going to run a few cars down to a boat launching ramp, that doesn't require the same standard as driving logging trucks, does it? So as a practical matter, the local road systems are going to be totally timber purchaser financed if there is any timber hauled over it?

Mr. RESLER. Not necessarily.

Senator McCLURE. Tell me the difference.

Mr. RESLER. Well, I think I would draw the distinction as to one of the criteria would be which is the first entry. Now, if an area was to be developed that legitimately had timber available to it, it might well and probably would be built by the purchaser, allowing timber purchaser credits. There might be an additional road taken off of that, into a terminal facility or a local road, and we would hope on most of this road system there would be some peripheral benefits to the general public.

So I think you could conclude that the bulk of the local system, not all of it, but certainly the bulk of it, would likely be built with timber purchaser credits, where the values were such that it can be so constructed.

But I would want to hasten to add the point that we do not favor the situation in which sales should ever be presented when there is a deficit condition.

We do not do so except under the direst circumstances. Our objective is to allow the full cost of constructing any road under timber purchaser credit arrangements as a cost carried by the timber sales; by the value of the stumpage.

Senator McCLURE. What has been the congressional directive with respect to this policy?

Mr. RESLER. Mr. Chairman, there has not been any specific direction that I am aware of. There has been a great deal of interest, obviously, primarily by the Appropriations Committee, and a number of expressions of individual disagreement have been aired.

But I am not aware of any specific congressional direction to the contrary.

Senator McCLURE. Well, you don't regard the language in Appropriations Committee reports as being any congressional directive?

Mr. RESLER. That certainly is congressional directive——

Senator McCLURE. It is an expression of opinion, but it is not binding?

Mr. RESLER. No, I would not say that at all. It was binding. We have agreed with it. We have implemented it. But I had in mind the question of the degree to which we would apply timber purchaser credits. There was a limit established by the Appropriations Act.

Senator McCLURE. Has the Congress in any statute or any committee report language directed you to increase your reliance on purchaser road credits?

Mr. RESLER. No, sir.

Senator McCLURE. Has there been any statute or committee report language which has indicated that you ought to decrease your reliance upon timber purchaser credits?

Mr. RESLER. Yes.

Mr. PETERSON. There was some language in last year's Appropriation Act in which they directed us to spend $7 million for all-purpose roads and some indication that the committee desired us to move toward more appropriated fund construction, but not any specific dollar levels or that type of thing. Just the general idea.

Senator MCCLURE. Are you moving in that direction, or are you moving in the other direction?

Mr. PETERSON. Well, we currently have under way the Resources Planning Act report which is being drafted and in that we will be pointing out the consequences of different methods of financing construction and will be making some recommendations as a part of that process.

Now, what the administration will ultimately determine or what Congress will do, we don't know. We will be presenting the situation as we see it.

Senator MCCLURE. The question I asked was are you moving in the direction of increasing reliance upon appropriated funds, or increasing reliance on timber-purchaser credits?

Mr. PETERSON. The 1976 budget is a continuation of 1975.

Senator MCCLURE. How is 1975 compared to 1974?

Mr. PETERSON. 1975 is roughly the same as 1974.

Senator MCCLURE. How is 1974 compared to 1973?

Mr. PETERSON. The policy change was made about 1972.

Senator MCCLURE. In 1972 you started moving more to timber-purchaser credits?

Mr. PETERSON. And that policy has continued. It has not reversed.

Senator MCCLURE. In spite of the fact that Congress in its Appropriations Committee last year said you ought to move in the other direction?

Mr. PETERSON. They expressed a judgment. They also recognized the state of the economy in general. They did not increase the appropriations to allow a movement in that direction.

Senator MCCLURE. What you are saying is they asked you to move in that direction, but didn't give you the money to, so you didn't?

Mr. PETERSON. Yes, sir, there was no additional money provided.

Senator MCCLURE. I read from that language and it says this, page 25 of the report, the current administration policy of confining this program to timber access roads financed largely from timber receipts is both shortsighted and wholly inconsistent with the legislative enactments of Congress.

Now, I gather from your answer, you felt if they were going to use that language, they had to come up with some dollars or they didn't mean it?

Mr. PETERSON. We are unable to carry out a change of policy without the appropriations that go with it.

Senator MCCLURE. Mr. Resler, you say that the existing forest highway systems' mileage is dwindling due to reclassifications and inclusions in other Federal-aid highway systems.

To what extent is that dwindling and what other systems are incorporating mileages that used to be in the forest highway system?

Mr. HAMMOND. Senator, the 1973 Highway Act included a provision that the forest highway system's mileage would be included in the Federal-aid system mileage.

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Then as a part of the reclassification of the Federal-aid primary and secondary system as the major collector system, some of these roads drop off the system because they do not qualify for the major collector.

So we stand to lose about 3,000 to 5,000 miles of that forest highway system. It is the 3,000 to 5,000 that are important to our needs in terms of bridging from the secondary system into our forest development system.

Senator McCLURE. It is the result of the inclusion of the forest highway system in the Federal-aid to highway system?

Mr. HAMMOND. Yes.

Senator McCLURE. And they cannot quality therefore, it must be dropped?

Mr. HAMMOND. That is correct.

Senator McCLURE. It would seem to me that ought to be a highlight of your report to the Congress on the system, that that has caused you some trouble.

Mr. HAMMOND. We have had this under discussion but have not had an opportunity to comment on the forest highway system.

Senator McCLURE. You have an opportunity today.

Mr. HAMMOND. This is what we are doing now.

Mr. RESLER. Mr. Chairman, we would prefer, if we might, to submit a response to that in writing, elaborating it fully. We will be dealing with it, hopefully, a portion of the next submission this fall.

Senator McCLURE. My assumption would be that the Congress include the forest highways system under the Federal Highway Act in order to get money out of the trust fund for that purpose. It was an OMB suggestion acquiesced in by Congress in order to shift the funding requirement from the general fund to the Federal highway funds.

I don't know that anyone at that time expected that it was going to reduce the size of the forest highway system.

Now, is that a statutory mandate, or is that a regulatory mandate that disqualifies portions of forest highway systems for funding in that manner?

Mr. HAMMOND. The funding is set by bringing it under the primary and secondary system and reclassifying it, then as we proceed with the functional classification as required by the acts——

Senator McCLURE. By which acts?

Mr. HAMMOND. The Federal Highway Acts of 1971 and 1973. Those are the two. As they have defined the major collector under the acts, I don't think it was anticipated, but it is a fact that many of the forest highways at the lower end of the standard will not qualify due to volumes of traffic for that classification.

Senator McCLURE. Was that a result of mandatory statutes, or was it a result of regulatory actions?

Mr. HAMMOND. It will be the regulatory definition of the major collector.

Senator McCLURE. I am going to ask you to do something at the same time I will ask staff to do something, and that is research a little of the background of how this came about. I don't believe that was the intention of the Congress. If we have unwittingly done something we didn't intend to do, then perhaps we should correct it.

If, on the other hand, the regulatory process has done something we didn't intend should be done, it might be approached in a different manner. But I would ask for you to comment further in regard to how we got to this point, and whether or not it requires a change in statute to correct it.

Mr. RESLER. We shall do that.

[A response to Senator McClure's request may be found at p. 504.]

Senator MCCLURE. In your statement you make reference, Mr. Resler, to the estimates of an additional 135,000 to 150,000 miles of roads and 24,000 miles of trails will be needed to complete the national forest land transportation network for optimum levels of management.

How much mileage of each class is included in those projected estimates?

Mr. RESLER. Let me say first, Mr. Chairman, you understand there is some 56 million acres that is still roadless in character. We are going through a land-use planning process that will make some judgments as to whether or not these areas will be developed or not.

That is one of the reasons why this is a very speculative figure at the present time. It depends upon the land-use decisions. Within that context, I would be happy to answer your question, if I can.

Senator MCCLURE. I understand that. I would not expect you would be able to avoid that condition on your answer.

Mr. HAMMOND. Basically, Senator, our current projections would make about 50 percent of that additional, as you go down the State listing, would be timber-related. The balance would be recreational and other uses. About half of the 150,000 miles would be timber-related.

Senator MCCLURE. Then I would assume the other half you would expect would be built from appropriated funds?

Mr. HAMMOND. Yes, sir.

Mr. RESLER. Yes, sir, if they are built.

Senator MCCLURE. If they are built. And of the 50 percent that is timber-related, how much of that would be expected to be built from appropriated funds and how much from timber purchaser credits?

Mr. RESLER. May I suggest, Mr. Chairman, that that is a policy decision that Congress must be involved in and will be as a product of the Resources Planning Act.

It would be purely speculative if we went beyond that at this time to answer that question. It can shift gears, I guess what I am suggesting is that this fall in the submission of our presentation of program levels, the administration will address that question, will lay out what the total needs are as well as the total opportunities, maybe I should say. Then we will make a representation of the program proposal, or the President will, and then Congress will have the opportunity at that time to make their own assessment.

Senator MCCLURE. You think that 135,000 to 150,000 miles would be the total necessary to complete road systems for optimum management?

Mr. RESLER. That is the way it looks, yes.

Senator MCCLURE. If we were to change the context of this estimate, not from totals, but what do you expect to build in the next year or two, what would be the mileage?

Mr. RESLER. We build in total about 9,500 to 10,000 miles a year. As you know, the bulk of that construction has been by timber purchasers in the last 2 or 3 years.

Senator MCCLURE. And you would expect that that 9,500 to 10,000 miles would be what would be built in each of the next years, absent a policy decision?

Mr. RESLER. Yes.

Senator MCCLURE. And the bulk of those——

Mr. RESLER. Unless we have additional money to do otherwise.

Senator MCCLURE. The bulk of that mileage will be built by timber purchaser credit, absent a change of policy and matching appropriation?

Mr. RESLER. Yes.

Senator MCCLURE. For each renewable resource on the national forest, can you rate the degree to which the full potential of each is presently being met?

Mr. RESLER. Very speculatively, there is no immediate way that comes to mind, Mr. Chairman, that we could do more than give you an offhand estimate. It would vary greatly from area to area. I am sure you understand that.

Senator MCCLURE. Yes, sir, I do.

Mr. RESLER. I don't know more than we could provide you, other than that kind of an estimate.

Senator MCCLURE. Can you give us, if you wish to call it a guesstimate rather than an estimate, I will accept that too. The question is directed to how well are we managing the forest now on the renewable resources? In terms of its potential?

Mr. RESLER. In terms of its full potential, I would have to say that we are somewhere in the range of probably 50 to 60 percent, slightly over that possibly, certainly on some resources.

If we are talking about specifically the timber resource, we have felt we can make substantial increases in productivity on those acres that should be utilized for commodity production purposes.

There is a substantial additional capacity that can be achieved. We are talking not only about the production potential on those acres that are currently developed, but also we recognized there are substantial portions that are not yet accessible.

So lumping those, our estimate has been we can probably increase from in the neighborhood of 40 percent or thereabouts in timber productivity.

The recreation and other uses, of course, expand accordingly with certain kinds of access development.

The same thing can be applied to additional production of wildlife, for instance, in numbers of animals by certain classes with manipulation of the vegetation, their basic habitat. Others do not increase because of some detrimental effects.

We will attempt this fall to summarize what some of those opportunities are, but that is the way I would characterize it at the moment.

Senator MCCLURE. When you say timber, your guesstimate is 50 to 60 percent full utilization now of the potential; is that correct?

Mr. RESLER. Yes.

Senator MCCLURE. You acted as though you were about to say something.

Mr. RESLER. What I was about to say is I would prefer to come down on the 60 percent side.

Senator MCCLURE. When you relate to a 40 percent increase, you are talking about that 60 percent figure?

Mr. RESLER. Right.

Senator MCCLURE. If as a matter of fact you increased to 100 percent, it is more than a 40 percent increase. It is an 80 percent increase; is that correct?

Mr. RESLER. Yes.

Senator MCCLURE. I just want to get the figures in the right context. It is not a 40 percent increase from where you are, but an increase in that 40 percent underutilized now.

Mr. RESLER. Right. And that figure is extremely variable, because as I say, about one-half of that total undeveloped area has timber areas on it, a goodly portion of which would be classed as commercial, but some would not.

Senator MCCLURE. How about the grazing resource?

Mr. RESLER. Well, we just completed a rather exhaustive study of forests and range resources in this country on both national forest and other lands, and we think there is substantial opportunities for increased production there as well.

It is also well recognized there are some needs to improve on the current condition of some of the ranges that have been deteriorating, starting back with the early range practices at the turn of the century. Some of them are recovering. Most of them, I would say, are at least static or vastly improved.

But the point is the production potential is there, and our recent forest, range and environment study, looked at opportunity, not only on the national forest, but on private lands as well.

Senator MCCLURE. As far as the mineral or nonrenewable resources, have you an evaluation of the potential being met there?

Mr. RESLER. That is a figure that even my speculation would not be helpful on, Mr. Chairman.

As you know, that is Interior's responsibility. A lot of the areas that would contribute no doubt in the longrun have not been surveyed well. I really cannot answer that question.

Senator MCCLURE. Your answer points up a dilemma, as far as I am concerned, and that is the fact you could respond as you did, you know that is Interior's responsibility, because a portion of it is, but a portion of it is Forest Service responsibility too.

I think with all due respect to the Forest Service, and I have a great deal of respect for the Forest Service, they are much better managers of the renewable resources than they are in evaluating the impact on nonrenewable resources.

Mr. RESLER. You are absolutely correct, Mr. Chairman. Of course, it is rather difficult to differentiate or separate the surface resource and its management from the subsurface resource.

Senator MCCLURE. It is impossible to do that.

Mr. RESLER. The reason I qualified my answer is that we have not had the specific mineral surveys completed in a large number of areas. I just didn't have any basis for responding.

As you well know, there are tremendous reserves, various kinds of minerals, on the National Forest System, including geothermal power.

In those areas where the survey work has been done, we could give you some broad estimates. But in grand total, I am not qualified to respond.

Senator McCLURE. That is a dilemma that faces Congress and has for a long while. It also relates to the fact that a good many of the mineral resources are much more difficult to evaluate, along with the fact that I think most of the people in the Forest Service are trained in the disciplines and management of the surface values and not trained in the disciplines of evaluating the subsurface values.

Mr. RESLER. Mr. Chairman, that also is true, but it represents a dilemma for us because among other things, the act that deals with the mineral resources.

I would remind the chairman that we have over the last several years been changing the complexion of our organization rather substantially by hiring large numbers of mineral engineers, mineral specialists of various types, geologists, and we are strengthening our capability in order to manage that.

Senator McCLURE. We will play the percentage game again. If you have 6 and you go to 12, you have doubled.

Mr. RESLER. Well, I think the figures would be a little more expansive than that. I would like to provide you with a résumé.

Senator McCLURE. I would like an updated résumé. The ones we have had in the past have indicated a very, very low level of competence in this field. I would like to see what kind of progress you have made.

[The information requested follows:]

Currently, the Forest Service has 43 professional mining engineers and geologists employed in the administration of mineral resources within the National Forests. An additional 70 professional geologists are employed by the Forest Service to support engineering, land use planning, and other activities.

Senator McCLURE. This hearing is related primarily to the question of transportation, and I would like to get back to that by asking a question of how does the transportation infrastructure affect your ability to manage each of these resources?

Mr. RESLER. Very directly. Mr. Peterson reminds me in many cases that the development needs may be largely controlling on the management of any of the other resources, with the exception of those such as wilderness.

So I would have to say that the whole engineering or development infrastructure as you have described it, is vitally important, not only to our land-use planning, the long-range transportation planning and the development and maintenance of the transportation networks.

Senator McCLURE. At the present level of funding, does the road system in place and being constructed enable you to realize the opportunities that exist for resource management on a timely basis? Or are you behind?

Mr. RESLER. I think one would have to say we are behind. One of our problems, of course, is in areas such as your own State, in which the development and management of the resources is curtailed by our inability to get into timber stands and other resources that ought to have attention right now.

I refer you to some of the areas in the Panhandle of Idaho and Montana, many other States, eastern Oregon, Washington, in which

the timber stand conditions are such, due largely to either lack of access or lack of market, that makes them highly susceptible to insect and disease losses. And to the extent that the day is delayed when we have access and can effectively manage those, it is a cost.

Senator McCLURE. And an opportunity which cannot be retrieved.

Mr. RESLER. In many cases.

Senator McCLURE. A mature forest subject to the ravages of disease or insect infestation, doesn't immediately regenerate, there is quite a period of time when the timber resources is lost and the resources are not regenerated; is that correct?

Mr. RESLER. Yes. It is an evolutionary thing. A timber stand gradually regenerates itself, but there may be a time period lost as it goes through another successional stage.

Senator McCLURE. That is a period of several years?

Mr. RESLER. It could be. Twenty years and so forth.

Senator McCLURE. What about the timber which could be made commercially productive through management, but is not valuable enough to pay for a road over the short term? How do you approach that where we have such heavy reliance upon the system for timber purchaser credits?

Mr. RESLER. Well, Mr. Chairman, those areas have to be foregone until one of two things happens: either until the timber values increase and the demand increases to where one can construct the access needed by timber purchaser credit, or the alternative; namely, doing it with appropriated funds, or some combination thereof. We don't want to overlook the combination possibility.

Senator McCLURE. We have to have a degree of flexibility under the classification you proposed of collector-arterial and local, because if the local will not by itself, cannot be financed by timber purchaser credits alone, a combination of timber-management objectives might solve the problem.

Mr. RESLER. We anticipate that fully.

Senator McCLURE. Your road program in 1972 totaled $175 million based on appropriated funds. What would you think is a level of funding adequate to realize future opportunities?

Mr. RESLER. We have made a series of projections as to what our needs would be at various points in the future, Mr. Chairman. In order to have Congress have an opportunity to look at this question, we will be providing additional information this fall.

But to answer your question specifically, it looks like the range might run up to $250 million, or thereabouts, over the next 3 or 4 years—if we were to get on top of the opportunities and needs with appropriated moneys.

Senator McCLURE. Is that over a period of years, or each year?

Mr. RESLER. Each year. We are talking about the opportunity of substantial increases. Here again, this is a management decision, a priorities decision, in the Federal structure.

We also would remind you that this fall we will be laying out a range of possibilities which will encompass that figure. Also——

Senator McCLURE. Excuse me, does that $250 million figure presuppose a continuation of present policies?

Mr. RESLER. No, sir, it does not. It would involve some shift toward appropriated construction funding.

Senator McCLURE. There would be more appropriated funding?

Mr. RESLER. Yes.

Senator McCLURE. Less reliance upon timber purchaser credits?

Mr. RESLER. It would continue at about the present level, or slightly higher. We are suggesting that as one option we might need to move in the $200 million range on certain classes for the next 3 years, and then come back to about $175 million, I believe.

Senator McCLURE. In mileage of roads constructed, I referred to the brochure, the briefing booklet you provided for us.

There is a chart which appears in that that shows mileage between direct Federal construction and construction by timber purchaser.

A reference to that chart would indicate that the direct Federal construction mileage has been declining while the construction by timber purchaser is rapidly ascending. The chart is now also on the stand.

I would assume that the mileage construction under the projections you are talking about for timber purchasers would continue on the same trend that it is now, but you would expect that the direct Federal construction line would rise.

Is that a correct assumption?

Mr. RESLER. For the next 3 years you are correct. There would be a substantial increase in direct Federal construction. As I indicated earlier, some increases, a moderate increase in construction by timber purchasers, and then there would be a decline in timber purchas r construction based on one set of assumptions which we are making.

Senator McCLURE. I understand that. The following chart in that book is a comparison not by mileage, but in costs. The lines roughly followed each other through 1966. There was a drop related to market conditions. Between 1966 and 1968. Then timber purchaser construction went back up.

Federal highway construction took a boost in 1969 to 1970. Then about 1971–72, the Federal construction leveled, dropped, and then rose again to approximately its previous level, but in the meantime, the timber purchaser dollars shop up dramatically.

Do you expect that that condition will be reversed under your proposals?

Mr. RESLER. Well, that would be one of the options, certainly, that we will present. I am sure you are well aware of the circumstances under which this decision was made. It does have some serious consequences, both the executive branch and Congress are going to have to address that question forthrightly.

We will lay out the options and hopefully the consequences of both. But this is something. Mr. Chairman, that is a matter of national priority. It is going to have to be resolved on the basis of an executive branch proposal and congressional action, or inaction, as the case may be. Congressional determination. Excuse me.

Senator McCLURE. I like the former language, although it may have been less diplomatic, I understood you.

Senator STAFFORD. Mr. Chairman, could I ask one question?

Senator McCLURE. Certainly.

Senator STAFFORD. I would like to ask the witness which system the Forest Service prefers? The system of constructing roads where the purchaser of timber does it, or the system where the Forest Service itself, using Federal funds, finances road construction?

Mr. RESLER. Senator Stafford, we have always favored the use of both systems. It is necessary in our judgment to have an effective combination of both those tools of constructing the total system. We recognize the need for development ahead of use in order to allow road systems to stabilize so that their effects are minimal on the environment; and second, so that they are available for managing all the resources.

Now, when we get into that mode of development which is preferable, it obviously would place a heavier burden of need on appropriated moneys as opposed to purchaser credits, the reason being the heavy investment not immediately recouped, at least for a year or 2 or 3. But we still need a combination of those two construction methods.

Senator STAFFORD. When the industry builds the road or roads, is there some system of monitoring their costs so that the Forest Service knows how much they are being charged for those roads against the timber purchaser dollar and how fair that charge is?

Mr. RESLER. Well, Senator Stafford, we develop our cost allowances on the basis of monitoring a representative sample of individual operator's experienced costs. And to the extent that their sample is representative, I think I can say yes. There may be an occasional difference of opinion between the forest products industry and us on the adequacy of those determinations but the system is nevertheless reasonably valid.

Senator STAFFORD. Can you offer an opinion as to the attitude of the timber industry in connection with building roads? Do they prefer to do it themselves or would they prefer the Federal Government do it?

Mr. RESLER. I would guess they would pretty much argue in support of the position I have indicated. It is a question of degree. Here that opinion would be quite diverse from practically none in the case of smaller operators to a reasonable portion among the larger operators. It is a function of capability and working capital.

Senator STAFFORD. Thank you very much.

Senator MCCLURE. If I can return to that for just a moment, it seems to me that in the estimate system there are a number of people who would indicate that about half of the overhead and the right-of-way clearing and a portion of the profit and risk are written off when the timber purchaser constructs the road as contrasted to when it is done by contract.

Now, you have heard that argument before, I suspect?

Mr. RESLER. Oh, yes.

Senator MCCLURE. In spite of that, you are of the opinion that you have struck the best balance you are capable of striking, as far as the estimates are concerned?

Mr. RESLER. I think you ought to keep in mind, Mr. Chairman, that those costs are not written off or disallowed. They are merely included in a different section of the timber sale appraisal.

Senator MCCLURE. If they are included in a different section of the appraisal then the counties bear the cost, the 25 percent of the cost?

Mr. RESLER. The counties would bear a portion of that cost either way. What I am suggesting is that instead of appearing in the timber purchaser credits portion of the appraisal some of the overhead costs,

some of the profit and risk, is written off by including it in other portions of the timber sale appraisal. It is written off against the timber sales themselves, rather than the specific portion of the road construction.

Senator McCLURE. If there was a separate contract on the road, there would be a separate item for profit and risk?

Mr. RESLER. Yes, that is correct.

Senator McCLURE. So that you would say he is entitled to one profit and risk, but not a profit and risk for the separate operations as would be the case if there were an individual contract? Is that correct?

Mr. RESLER. The distinction I draw, Mr. Chairman, is that we do not separate the profit and risk. We make a profit and risk determination on the whole sale, a portion of this is not assigned to the purchaser construction activity, but on the sale as a whole.

Senator McCLURE. I don't follow you. If the purchaser were to allow or to sublet the construction, then he has the profit-and-risk allowance to take into account.

You say there are economies in having it done this way, because there is only one profit-and-risk allowance. That is what you said earlier, if I understood you correctly.

Mr. RESLER. Yes. I also suggested that some of the timber sale purchasers do exactly what we would do. They go out and hire a road construction contractor to come in, and then the situation changes.

Senator McCLURE. If, however, the roads were constructed by appropriated funds and contracted, there would be no loss to the counties?

Mr. RESLER. That is correct.

Senator McCLURE. When you say the counties lose either way, you are assuming it is not built by appropriated funds. It is built by timber purchaser credits.

Mr. RESLER. Obviously, if the roads were built in advance by appropriated funds, there would not be a proportionate reduction in the value of stumpage. Therefore, their receipts would be higher. The burden, the cost of building the road system is transferred to the general public as opposed to the local in that situation.

Senator McCLURE. Out of the $175 million appropriated, $66 million expended, $8 million of which was for bridges, in spite of your assessment of the bridge adequacy, you plan to spend only $5 million for bridges, which is $3 million less than 1974. Why is that?

Mr. RESLER. Do you want to answer that?

Mr. HAMMOND. Senator, the inspection that was just completed was included in some information we are putting out. The reason for programing, at this time $5 million, is basically again one of capability. This problem has surfaced now, and now we have to arrange to gear up. The $5 million rate has been a rate for the last 5 to 8 years. It means getting additional skills and capability as much as anything else. That is why we programed at $5 million.

Senator McCLURE. You mean you couldn't have the skills to build more than $5 million worth of bridges?

Mr. HAMMOND. It is part of the present planning, getting the engineering done. Now that we are aware of the problems, where they are located, we have to do the designing. It takes a year to gear up.

Mr. RESLER. Another deference of that, obviously, Mr. Chairman, in the case of Alaska whereas you pointed out there is a rather large percentage of the total——

Senator MCCLURE. 175 out of 175 is a large percentage.

Mr. RESLER. The problem is one of phasing into it and, of course, the availability of funds, many of the bridges, at least those I have seen in Alaska, certainly ought to be replaced as rapidly as possible. Many of them are log-stringer bridges. It also has to be recognized in a tight budget situation, that is the kind of thing that can be deferred for 1 more year. It is part of the reason why we have a very substantial backlog of bridge work we need to contend with.

Senator MCCLURE. In northern Idaho County, which I am familiar with, there was a division of work agreed upon between the county and the Forest Service many years ago. The county would maintain the roads, the Forest Service would maintain the bridge. The bridge is in need of replacement and the Forest Service says they are not going to do it. Is that a compliance with the agreement?

Mr. RESLER. Well, we don't know the situation other than as you explained it. I am just not aware of the facts. If I could respond, I would be glad to look into that further, if you would wish.

Senator MCCLURE. You don't propose to allocate one cent of appropriated funds for timber road construction in 1976. Can you project for the committee what the impact of this approach will be on the management of the resources?

Mr. RESLER. I am going to ask Mr. Hammond to answer that question. I don't follow it on the chart in front of me here.

Mr. HAMMOND. To answer your question, Senator, there are no appropriated funds programed for direct construction and reconstruction of roads, there has been a $3 million item shown but only for trail construction, and there is the bridge program as we just discussed. The impact, of course, is a continuation of the impact on the purchaser credit program.

Senator MCCLURE. And it also means, does it not, there will be no road construction at all that is not directly related to timber purchaser?

Mr. HAMMOND. That is right.

Senator MCCLURE. Roads in the other roads category service all other resources and needs. They will drop to $3 million, which is $17 million less than 5 years ago. What is the impact of that on the management of these other resources?

Mr. RESLER. Strictly a deferral of the development until a later time. And the impact is obviously one that those resources are not developed, not as accessible and available, as they might otherwise be.

Senator MCCLURE. Would it not then reflect a judgment on the part of someone that these other resources have no value that are worth protecting by the investment of some money?

Mr. RESLER. The exclusive effect obviously is on the Federal budget priority setting process. The judgment has been made that additional development can be deferred in these areas. Primarily with recreation and other uses.

Senator MCCLURE. I understand that question is a very difficult one for you to answer. I am certain the Forest Service did not make that judgment on their own, that other resource management had no priority at all so far as the Forest Service is concerned.

I am sure you would not want to be understood as saying that, and I will not ask you to say that. It seems to me when a decision has been made that no money is to be spent on roads related to other management at all, the administration has assigned a priority that says the damage to other resources or loss of other resources has no value at all to the general public.

That is a finding on the part of someone in the administration that I find totally unacceptable.

Mr. RESLER. I am sure, Mr. Chairman, that again it comes back to a point of priority, and at what point in time should moneys be invested. I would certainly agree that other resources are impacted by this policy, and it is a question strictly of executive policy on the Federal budget.

Senator MCCLURE. I will not ask you to comment, but I will only renew the statement that when zero budget is arrived at, somebody must have found that the damage or the loss of utilization of these other resources had no value to the public.

I just can't find in me any possible acceptable explanation that says that the only resource that is worth managing on the Forest Service, worth investing any management in terms of transportation, lies in the timber resource.

The Forest Service has received a tremendous amount of criticism, as you well know, by people outside of the timber industry, who say your only interest is in managing the timber resource.

Again I will say this is not your assignment of priorities in terms of the total budget, I am certain of that, but somebody within the Administration made a finding that whatever damage or loss to other resource values might be occasioned from the failure to invest any money in transportation for the benefit of other resources, seems to me to be a totally blind approach to multiple resource management.

Again, I will not ask you to comment on that, because I realize the restrictions under which you can testify here, which I hope somebody in the administration somewhere can be induced to listen to, the kind of picture that that presents to the people who criticize our resource management agencies.

If ever there were a dramatic exposition of a philosophy that says the only resource that is worth investing any money in is a timber resource, in terms of its transportation, and this certainly clearly states that for the public to see——

Mr. RESLER. Mr. Chairman, if I might add one point, it really means there are no new starts on activities. There are some activities already developed and available.

I would like to go further and suggest this: There is no question but what the priority setting process is very difficult within the Federal structure.

I would hope that the presentations that we will be able to make this fall under the auspices of the Humphrey-Rarick Act will provide the executive branch and Congress a much more effective mechanism for addressing the very question you are talking about.

Senator MCCLURE. That only leaves us one more year, assuming you will be able to persuade somebody.

Mr. RESLER. That is correct. It will represent another year's loss.

Senator McCLURE. I am disturbed by the answer you gave, Mr. Hammond, that we can't build more than $5 million worth of bridges because we don't have enough engineers to design them.

Mr. PETERSON. I think Mr. Hammond was trying to explain some of the reasons that do exist, but they are not the primary reasons. If we had additional appropriated funds in the budget, there are a number of bridges we could rebuild.

It represents trying to meet a program output level under a very constrained budget situation where if you can go ahead and utilize resources by using indirect routes and can use a bridge one more year, you do so, rather than replace it, it doesn't represent our capability. We could do several times that much within our capability.

Senator McCLURE. We have a number of counties and municipalities that appear before us at various times talking about the financial crunch they are put in by the recession.

We have a number of proposals before Congress for revenue sharing, to get local units of Government by this period of time when their tax receipts will be dramatically down. Cities and counties are not different from the States in that regard.

Yet we hear constantly that during this period of time when we have a budget crunch at the Federal level, we are going to transfer the burden at least 25 percent of it to the counties and to the schools that are affected by reductions in revenues.

That is a matter which is rather puzzling to me. Again, I don't doubt that from the Forest Service standpoint that is what you have to do during a period of appropriations downtown, relative to your responsibilities.

But somebody in the executive branch is responsible for setting priorities and so we take money away from local governments and the existing program and then talk about giving money back to them through another program. If that is rational government, it escapes me.

Mr. RESLER. Mr. Chairman, I would remind you that this policy decision was made in 1972, that time frame, and the economy looked different than it does at the moment. However, we recognize the effect is carrying over.

Senator McCLURE. But that policy decision was not only made at that time, it was made without any direction from Congress. It continues to be made in spite of whatever direction there is from Congress.

Now, I perceived under the naive assumption that the Constitution meant what it says, that the legislative branch of government sets the policies, and the executive branch administers the policies. Here we have a policy decision made several years ago, being made by the executive branch, revised by the legislative, continued by the executive, and all we can say is the financial conditions have changed in that period of time.

That doesn't address the fundamental question one iota. Somewhere the Congress of the United States is going to have to stand up and be counted, and I suspect you would cheer that. I will not ask you to comment on that.

I am concerned about the bridge inspection, granting that it is new, and the report that I have in hand which is dated July 10, so I assume it is the latest available, shows a total of 6,310 bridges inspected, 1,926 of them need work, with a total cost of $98,336,000, and you program $5 million to meet that need, about 5 percent.

Mr. RESLER. Well, sir, it is strictly a function of the fact that standards have been established and as we look at the sum of our forest transportation system, maybe the bridges are older, they do not meet current standards, and this is a fair reflection of what it is going to take to bring them up to that standard.

Senator MCCLURE. I would like to recognize the presence of the chairman of the full committee, the Senator from West Virginia, Mr. Randolph.

Senator RANDOLPH. Thank you, Mr. Chairman. We are very appreciative, all members of the committee, of your chairing today's session.

It was impossible for me earlier in the day to be present. At that time, I would have given the statement that I now ask unanimous consent to be presented, if that is agreeable with you, at the beginning of the hearing today.

Senator MCCLURE. Without objection, the statement will appear at the beginning of the proceedings today.

Senator RANDOLPH. Thank you, again, Senator McClure, for helping us as you are doing in this important hearing.

I was in West Virginia yesterday, traveling over just the kind of roads you are talking about here today. I presume for the record, it will not hurt to say it was beautiful country, as you understand. The wildflowers were out in profusion and the trees are majestic. You just feel good when you are in West Virginia, or on forest roads anywhere.

Thank you.

Senator MCCLURE. It would be difficult to top the statement the chairman has made, except to relate it to Idaho rather than West Virginia, without taking anything away from West Virginia.

Would it be fair for me to summarize that the rate of construction on the transportation network construction in fiscal year 1972 was inadequate, or was it excessive?

Mr. RESLER. It did not meet our objective, Mr. Chairman. We have been under a constraint for a substantial period of time. No, I would not call it excessive.

Senator MCCLURE. Comparing 1972 to 1976, would you say that the rate of construction and design of roads in 1976 is less satisfactory than 1972 or more satisfactory than 1972?

Mr. RESLER. Well, considering the fact that the budget level has stayed fairly constant and the costs have gone up, I would have to agree that it is less satisfactory. The constraints on the Federal budget constrained it.

Senator MCCLURE. In minimum terms, then, would it be fair to estimate that a $58-million program increase with appropriated funds could be readily justified for 1976?

Mr. RESLER. I think that could be said.

Senator MCCLURE. What would that be if adjusted to current dollars, compared to 1972?

Mr. RESLER. I would rather provide that for the record, but it looks like we are moving back to the 1972 level at this time.

[Mr. Resler supplied the following:]

FOREST DEVELOPMENT ROAD AND TRAIL MAINTENANCE PROGRAM

[Dollar amounts in thousands]

Fiscal year	Amount of obligation	Price deflators [1]	Effective obligation 1972 dollars
1972	$39,120	[2] 100	$39,120
1973	44,804	108	41,485
1974	40,635	120	33,862
1975	[3] 40,070	[3] 132	30,356
1976	[3] 43,344	[3] 137	31,637

[1] Implicit price deflators for GNP 1920–74—Government purchases of goods and services from Economic Report of the President, February 1975.
[2] Base.
[3] Estimated.

Senator McCLURE. You obligated $38 million for road maintenance in 1972, and you plan on $43 million for 1976. Was the level for 1972 inadequate?

Mr. RESLER. It was minimally acceptable. We got the job done. Never in recent years have we been able to do quite the kind of job we think is appropriate, particularly on some of the lower standard roads. I think we have to say we can live with that level.

Senator McCLURE. What part of the $5-million increase from 1972 to 1976 represents inflation and what part is program improvement?

Mr. RESLER. I think that was all inflation.

Senator McCLURE. Is $5 million adequate to cover all of the inflation and costs from 1972 to 1976?

Mr. RESLER. No.

Senator McCLURE. So a $5-million-increase really is a reduction in level?

Mr. RESLER. Yes, sir.

Senator McCLURE. So if it was minimal in 1972, it is less than minimal in 1976?

Mr. RESLER. We would have to say that.

Senator McCLURE. What would be an optimum level program in 1976 and what would be the limiting factor at the level you select?

Mr. RESLER. Are you talking about specifically maintenance or the entire program?

Senator McCLURE. The maintenance program.

Mr. RESLER. Mr. Chairman, I think we would have to be in the range of $50 million to maintain that satisfactory level that we have identified in 1972. I would like to look a little more fully at that. If that figure changes. I would provide it to you. But that would be our guesstimate at the moment.

Senator McCLURE. If you would supply further information that you desire on that subject, we will make it part of the record.

[The following information was subsequently supplied:]

Based on the estimated and actual price deflators used, a maintenance program level of $54 million in FY 1976 would be needed to equal the FY 1972 program of work.

Senator McCLURE. Let me summarize a bit, if I may, to concentrate on one point that we passed by a moment. In Idaho, we have thousands of acres of immature timber. It needs to be managed to stimulate growth. You can't build timber purchaser roads for that

purpose. You can't get enough immediate income to finance the construction of the road. You are not building roads with appropriated funds.

It seems to me, then, that there is a wasting asset so far as the management of those immature stands is concerned. Would you agree with that?

Mr. RESLER. That is correct.

Senator MCCLURE. What would you say if we gave you the authorization level which said three things: First, build all the roads to deficit sales with appropriated funds; second, road all immature commercial forests with appropriated funds; and third, build needed roads and trails for recreation, fires, and range development, with appropriated funds?

Mr. RESLER. I think that is a logical direction, Mr. Chairman, pretty closely following what we have attempted to pursue when the budget situations permitted us. I would like to caution against making that direction too absolute, because there would be exceptions to that, I am sure you understand; but basically, that is the general policy we have attempted to follow over the years.

Senator MCCLURE. Could you submit for the record now a statement of your road and bridge needs, rather than in the fall, so that our staff could be working on it?

Mr. RESLER. Yes; we can provide you with the figures that will appear later in the fall. I qualify it only from the standpoint that it will depend on some policy judgments at that time; but it will give you something to work with in the interim.

[The information requested follows:]

DISCUSSION OF THE TRANSPORTATION SITUATION

Since the beginning of a national system to preserve our forests, transportation has been recognized as a necessity. The effective management of the forests depends on it. There are many problems that arise in developing an effective transportation system and the solutions are varied, but they all can be handled by planning. An integrated system combining transportation and land use results in the optimum solutions for both environmental impact and availability of resources. Investment schedules are also critical elements of resource availability.

The current transportation system program is directed to those specific areas where on a short-term basis limited investments are allowing the continuation of current programs and use.

The transportation system is being developed under the following conditions: High timber volumes per acre, current market conditions, timber and principle resource, and limited capital investment for future needs.

Thus, the system being developed does not respond adequately to: Land access needs, other resource needs where timber is not present, long-term management needs for improving substandard land and resource conditions including timber, and expanding opportunities to meet future needs in a timely manner.

This is where forestry is today with a need for capital investment in appropriate, adequate, and timely transportation facilities.

There is one further and very vital factor needed by the Forest Service for effective planning in its attempt to reach its ultimate goal. The Forest Service needs and desires public concern and action; it presents only alternatives. It is the public that determines what happens to these lands. Planning holds promise only if the American people are informed and take positive action to bring the renewable natural resources of their forests into focus with the many national and local economic, environmental, and social problems. Active citizen input is obtained through the National environmental law process and public hearings. How the Forest Service deals with transportation and land use planning will depend on what the people of the Nation and their government decide are the goods and services that the National Forests must produce.

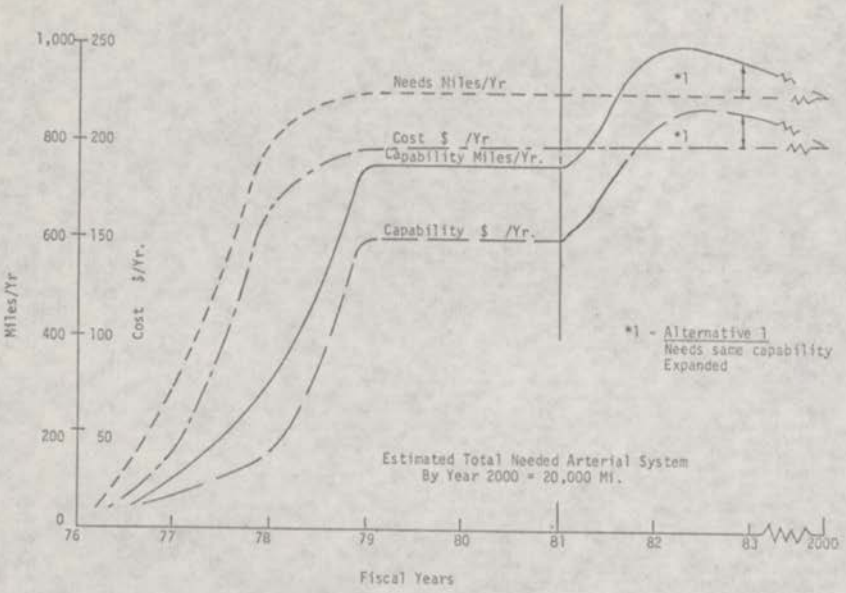
FOREST ROAD BRIDGE INSPECTION DATA

State	Number of bridges		Estimated maintenance costs
	Inspected	Needs work	
Alabama	68	53	2,742,000
Alaska	175	175	15,024,000
Arizona	173	2	357,000
Arkansas	237	184	9,518,000
California	546	100	10,000,000
Colorado	305	60	3,528,000
Florida	32	25	1,293,000
Georgia	40	31	1,604,000
Idaho	980	185	7,030,000
Illinois	10	6	150,000
Indiana	5	3	70,000
Kansas			
Kentucky	5	4	207,000
Louisiana	74	58	3,000,000
Maine	3	2	200,000
Michigan	35	22	1,289,000
Minnesota	135	85	1,200,000
Mississippi	78	61	3,156,000
Missouri	6	4	13,000
Montana	926	150	6,570,000
Nebraska	4	4	62,000
Nevada	2	2	9,000
New Hampshire	69	43	2,400,000
New Mexico	117	1	255,000
New York			
North Carolina	84	65	3,362,000
North Dakota			
Ohio	3	1	30,000
Oklahoma			
Oregon	884	153	5,430,000
Pennsylvania	48	30	618,000
Puerto Rico			
South Carolina	37	29	1,500,000
South Dakota	101	13	466,000
Tennessee	77	61	3,156,000
Texas	53	41	2,121,000
Utah	208	50	1,195,000
Vermont	22	14	550,000
Virginia	76	59	2,845,000
Washington	500	87	3,070,000
West Virginia	41	26	1,000,000
Wisconsin	20	13	2,480,000
Wyoming	131	24	836,000
Total	6,310	1,926	98,336,000

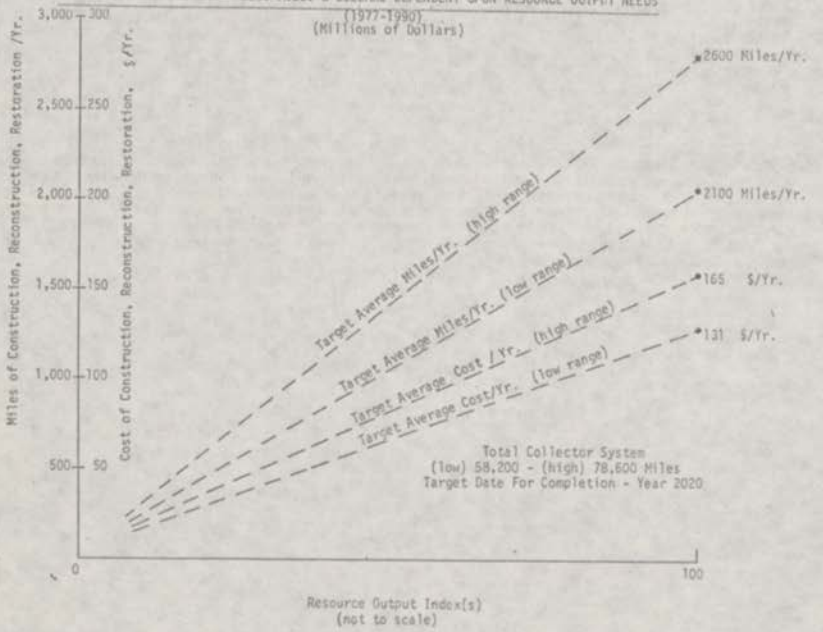
Note: Shows data for bridges as defined in title 23 CFR, pt. 650; length greater than 20 ft. Have inspected approximately 6,300 of the 7,100 bridges fitting the definition. Most of those not inspected are new bridges on closed roads. Approximately 1,900 need heavy maintenance or replacement. Cost includes planning, design, and construction at fiscal year 1975 prices. Costs represent heavy maintenance or replacement necessary to bring a particular bridge up to the minimum acceptable standard for the road in question. Totals for bridges inspected agree with regional figures supplied in January 1975. Totals for States for inspected bridges have been prorated in accordance with numbers requiring work for regions 8 and 9 since inspected figures were not immediately available.

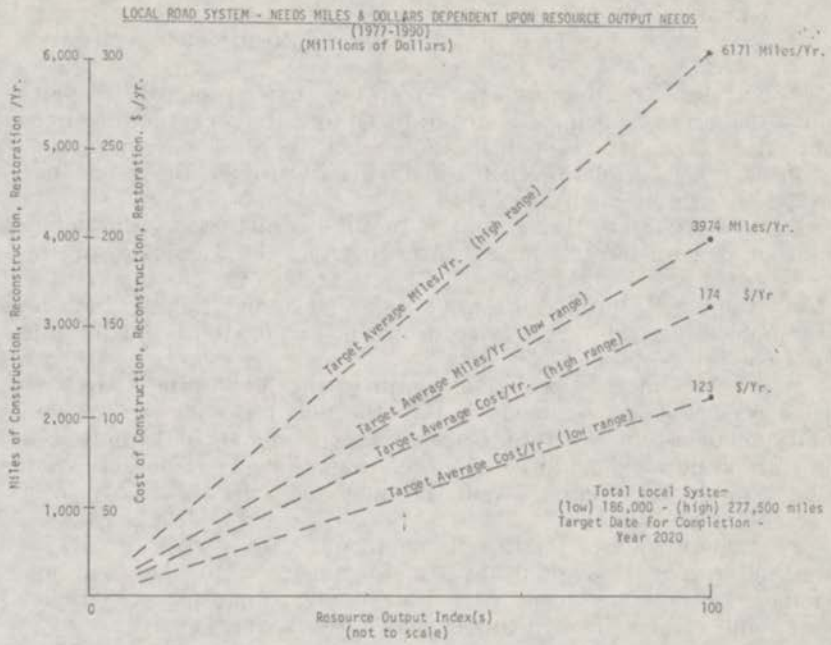
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ARTERIAL ROAD SYSTEM - CONSTRUCTION & RECONSTRUCTION
Needs vs. Capability
(100% Appropriation Financed - Shortest Feasible Time)
(Millions of Dollars)



COLLECTOR ROAD SYSTEM - NEEDS MILES & DOLLARS DEPENDENT UPON RESOURCE OUTPUT NEEDS
(1977-1990)
(Millions of Dollars)





Senator McCLURE. I am still seeking a little better, more clear definition of your understanding of which roads will be constructed with appropriated funds and which ones by timber-purchaser credit in the three categories which you have revealed to us. Is it possible to make a more definite statement with respect to the division between appropriated and timber-purchaser funds on the three types of roads which you have identified?

Mr. RESLER. Mr. Chairman, the problem with giving you a definite statement is that in the absence of the overall policy determinations on the availability of funds, those definitions might put us in a position where we could not make available even the current level of timber.

We would prefer to give you a written statement on this and I am sure you will recognize that we would prefer of necessity to qualify that distinction. In other words, there will be some overlapping, but we will try to make a more accurate representation of what our overall policy objectives are. I think if that would be of help, we would be glad to do it.

Senator McCLURE. I appreciate that. Recognizing that any definition you make will have its exceptions, but nevertheless, hoping that definitions can perhaps create greater understanding as to which directions you choose for a policy statement, so that Congress then can more nearly reflect its own judgment concerning policy as compared to the policy directions which you are selecting as an alternative.

One of the constraints you mentioned was you don't want to be directed too rigidly. I recall a direction by a House Appropriations Committee on engineering roads. I recall that put you in such a straitjacket, it was almost impossible to offer any sales. Is that not correct?

Mr. RESLER. Yes; that is correct.

Senator MCCLURE. That is the kind of straitjacket you were referring to?

Mr. RESLER. Yes; that is correct. We would much prefer, Mr. Chairman, to come back before this committee for interpretation of direction, rather than have it spelled out too directly for that very reason, it imposes very serious problems in trying to provide the goods and services we are directed to provide.

Senator MCCLURE. But absent some kind of definition, the policy directive is transferred almost entirely from the Congress to the executive.

Mr. RESLER. I think there are ways of framing that so that the direction is clear, and yet provide for enough flexibility to be able to get the job done.

Senator MCCLURE. I will refer again to the Appropriations Committee report of last year which says the policy is shortsighted and wholly inconsistent with the legislative enactment of Congress. I don't know how we could come closer than that. That doesn't seem to have made any changes. Will thinning sales carry their own cost of access generally?

Mr. RESLER. Commercial thinnings in some areas will carry it, for low-standard roads. I would have to say general'y, no, they will not.

Senator MCCLURE. Does the Forest Service anticipate greater growth and return through this type of forest management?

Mr. RESLER. Yes, sir.

Senator MCCLURE. On the Gifford Pinchot National Forest, House testimony shows loss of 90 million board-feet due to mortality. Present access allows salvage of only 10 million. How can this recovery be improved?

Mr. RESLER. I think again about two things. First: There is no question but what immature stands and young growth stands not yet of commercial size do need to be developed with roads so that we can make both noncommercial and commercial thinnings, as well as regular mortality salvage, available.

Second: There are opportunities for offering more of this volume for sale at any time; that is, whenever the market is high enough to utilize it. I think with the extreme overbidding that is occurring, particularly in the Pacific-Northwest, you would have to say there is now an adequate market even for marginal timber.

I think you are also aware that we are operating at about 11.8 billion in board-feet sale offers, and have been in that range, 10.8 to 11.8 for the last 2 or 3 years. When the market turns upward in terms of demand, I think there will be ample opportunities to increase the volume of sale offerings if the budget climate will allow us to move out.

Senator MCCLURE. On this same forest issue, the Forest Service testified that a $1.5-million investment in planting, thinning, salvage, and roadbuilding would result in $7½ million in Treasury return. How can this rate of return be finalized? Where are we having the problem? Is it a problem of selling OMB?

Mr. RESLER. Well, sure. It is an investment level problem. What that plan shows very clearly is that if we make—or when we make investments in the land that will produce greater rates of growth, there are opportunities for recovering that from the mature timber,

in the very short run, the turnaround of the recovery of that investment is very short, a matter of 1 to 3 years. That is exactly what it reflects.

Certainly, OMB is a part of the executive branch and a factor here. We are really talking about priority decisions in the Federal budget. As you are very well aware, there is no question about its payoff. It is a question of when those funds will be made available.

Senator McCLURE. Lumber shortages on the markets of the United States create price increases and adverse conditions for housing. The present housing starts are about half of what they were a year and a half ago. Is the Forest Service transportation system in such a condition that it can respond to a large increase in lumber demand should the housing industry recover?

Mr. RESLER. Yes, sir, in the short run. There is no question that some areas will be handicapped, but in grand total, I would say yes; the volume under timber-sales contracts now and that which can be made available, can be adequately responsive. But I would emphasize the short-term character of that. By that I mean the next 2 to 3 years. If the housing starts and general demand level would go up substantially and be sustained at an increasing rate, for a period of 2 or 3 years, I think we would be in trouble, definitely.

Senator McCLURE. You would relate it to a year—or 2 years—in terms of adequacy to meet a greatly increased volume demand. If it were extended beyond 2 years, we would start running into trouble; is that correct?

Mr. RESLER. That is correct. There are certain areas in Montana and Idaho, where there is no question but they are reaching a point where they are going to have to have additional relief on appropriated funds, or they are not going to be able to get the timber sale offerings out. These are deficit sales.

Senator McCLURE. Let me conclude by two or three rather general questions. You have been a very patient witness. We have covered a lot of ground. You had some very difficult questions posed to you, which I know your own statement as a resource manager is constrained by the budgetary limits imposed by other considerations outside your own agency.

The fact remains that the policy since 1972 as to timber roads has changed substantially. The Congress has given you ample authorizations and directions. However, an executive determination was made not to use the authorizations fully. You have let those authorizations lapse.

Spending for roads has changed. Virtually no roads are being built with appropriated funds. Virtually all the roads being built for timber are secured by reducing revenues, reducing the price of timber, and having the timber purchaser build the road. The legislative history of the Highway Act of 1974 shows that this was not the congressional intent. There are other evidences of congressional intent in addition to that.

In 1972, you reduced the price of timber by $101 million so timber purchasers would build roads under their timber sale contracts. By 1976, this reduction of revenue will be $183 million. What would the $101 million of the 1972 program equal in 1976 dollars?

Mr. RESLER. I would guess somewhere in the $140 million range.

Senator MCCLURE. So the rate is increasing?

Mr. RESLER. Yes.

Senator MCCLURE. Would it be correct to say that the statutory role assigned to the Forest Service is that of a long-term, multiple use, sustained yield forest resource manager for the 90 million acres of Federal lands and the 180-million-acre National Forest System?

Mr. RESLER. Yes.

Senator MCCLURE. Are you now required to exercise restraints in that road because of the nature of your forest road system programs?

Mr. RESLER. Yes.

Senator MCCLURE. From a land manager's standpoint with long-term interests, can you describe the problems associated with funding 100 percent of your timber road construction with timber sales versus planning a timber road network for long-term development, funded with appropriated money?

Mr. RESLER. Yes, Mr. Chairman, we can. I am sure you recognize that we can manage the National Forest System at most any level determined by the lower case "democratic process." There is no question but what our present policy constrained by Federal budget requirements is posing some problems and limitations on resource development and management.

I think we would certainly prefer to see a greater shift toward use of appropriated funds as soon as we can do so. In the meantime, this policy has been implemented to try to keep the timber sale offerings up to a resonable level, at minimum, direct outlays. At the same time, there is a cost impact that we recognize, on the counties. It is one of those situations which I am sure the administration does not particularly appreciate being in at the moment, and I would hope to see some change over time as the economy recovers.

There is no question but what we need to move ahead rapidly to develop an adequate transportation system and get the management of these resources, all of them, under proper management, and we are looking forward to that opportunity.

Senator MCCLURE. Thank you, Mr. Resler.

Again, you have been a very good witness this morning. Whatever shortcomings I find in your testimony, I ascribe primarily to other sources.

Mr. RESLER. Thank you, Mr. Chairman. I was pleased to be here.

[Material accompanying Mr. Resler's statement, additional information requested by Senator McClure relative to the decrease in the forest highway system, and information supplied in response to a request from Senator Randolph follows:]

UNITED STATES SENATE
94TH CONGRESS

Committee on Public Works
Subcommittee on Transportation

FOREST DEVELOPMENT ROAD & TRAIL PROGRAM

FOREST SERVICE
U.S. DEPARTMENT OF AGRICULTURE

THE FOREST SERVICE ROAD FUNCTIONAL CLASSIFICATION SYSTEM

This system is being implemented by the Forest Service to closely parallel Functional Classification Systems in Federal, State, and local usage.

These terms exactly relate to the concepts described in the FHWA reference manual "Highway Functional Classification Concepts, Criteria and Procedures," dated July 1974. Forest Service Roads are considered another hierarchy of the functional systems listed on page II-8 of the FHWA manual. The term "Forest" is an integral part of the classification name. These terms will be used in planning development and operation activities to describe the relative service level and function of a facility.

1. **Forest Arterial Roads.** These provide service to large land areas and usually connect with public highways or other Forest arterial roads to form an integrated network of primary travel routes. The location and standard are often determined by a demand for maximum mobility and travel efficiency rather than specific resource management service. They are usually developed and operated for long-term land and resource management purposes and constant service.

2. **Forest Collector Roads.** These serve smaller land areas and are usually connected to a Forest arterial or public highway. They collect traffic from Forest local roads or terminal facilities. The location and standard are influenced by both long-term multi-resource service needs as well as travel efficiency. Forest collector roads may be operated for either constant or intermittent service, depending on land use and resource management objectives for the area served by the facility.

3. **Forest Local Roads.** These roads connect terminal facilities with Forest collector or Forest arterial roads, or public highways. The location and standard are usually determined by that required to serve a specific resource activity rather than travel efficiency. Forest local roads may be developed and operated for either long- or short-term service.

4. **Terminal Facilities.** These are not part of the National Forest road system, but are described here to indicate that transfer facilities are always necessary to move commodities and people between the Forest location and the National Forest road systems. They have either a temporary or a permanent life. Typical examples include:

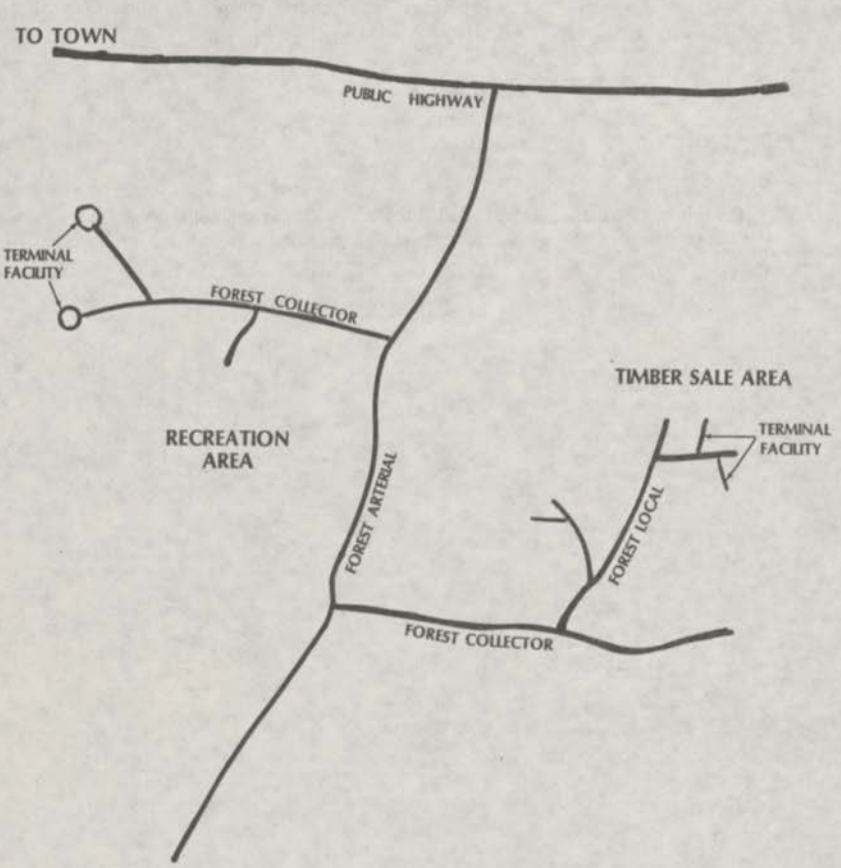
Temporary: Log Haul Ways (landing to road system) - These are called "Temporary Roads" in the timber Sale Contract.
Log Transfer Sites

Permanent: Vehicle Parking Areas
Boat Ramps
Trail Heads
Airfields and Heliports

The following illustrations will be used to visually display each of these systems and their standards in a Forest and Rangeland Management environment.

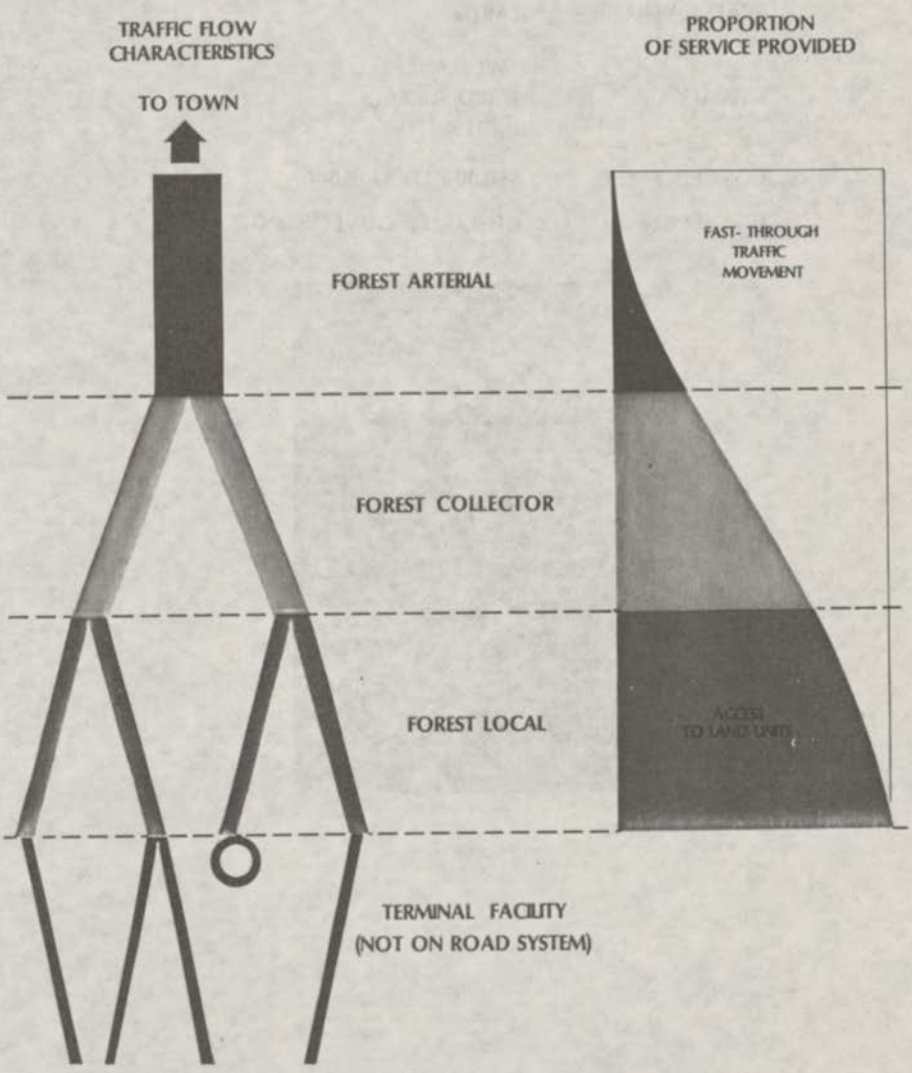
NATIONAL FOREST ROAD CLASSIFICATION SYSTEM

SCHEMATIC MAP



NATIONAL FOREST ROAD CLASSIFICATION SYSTEM

SYSTEM CHARACTERISTICS



FOREST ARTERIAL SYSTEM

FUNCTION -	FAST THROUGH - TRAFFIC-MOBILITY
TRAFFIC VOLUME -	LARGE
USUALLY -	TWO LANE HARD SURFACE HIGH SPEED
COST PER MILE -	$50,000 TO $300,000
FINANCING -	GENERALLY GOVERNMENT



FOREST ARTERIAL SYSTEM

EXAMPLES





FOREST COLLECTOR SYSTEM

FUNCTION -	USUALLY CONNECTS LOCAL AND ARTERIAL SYSTEMS
	BALANCE BETWEEN MOBILITY AND LAND ACCESS
TRAFFIC VOLUME -	MEDIUM
USUALLY -	ONE LANE
	HARD OR GRAVEL SURFACE WITH DUST PALLIATIVE
	MEDIUM SPEED
COST PER MILE -	$20,000 TO $90,000
FINANCING -	GOVERNMENT OR TIMBER PURCHASER



FOREST COLLECTOR SYSTEM

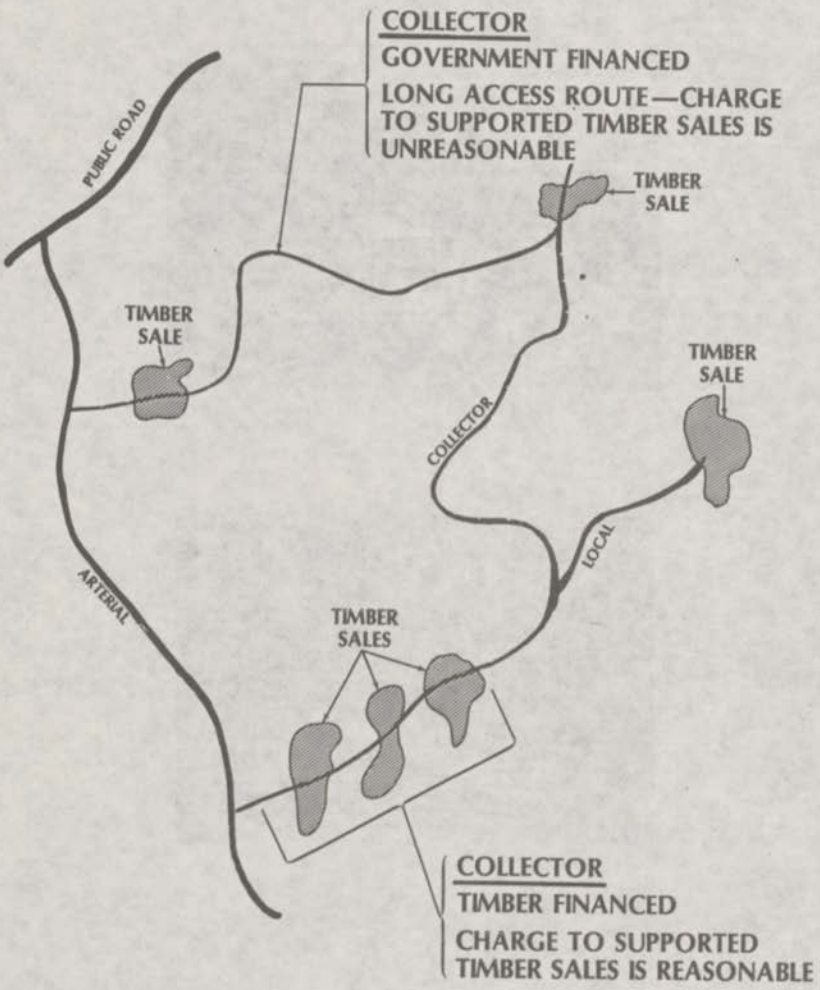
TYPICAL EXAMPLES





FOREST COLLECTOR SYSTEM

GOVERNMENT FINANCING vs PURCHASER FINANCING



FOREST LOCAL SYSTEM

FUNCTION -	ACCESS TO LAND UNITS
TRAFFIC VOLUME -	SMALL
USUALLY -	ONE LANE EARTH OR GRAVEL SURFACE WITH DUST PALLIATIVE SLOW SPEED
COST PER MILE -	$10,000 TO $50,000
FINANCING -	GENERALLY TIMBER

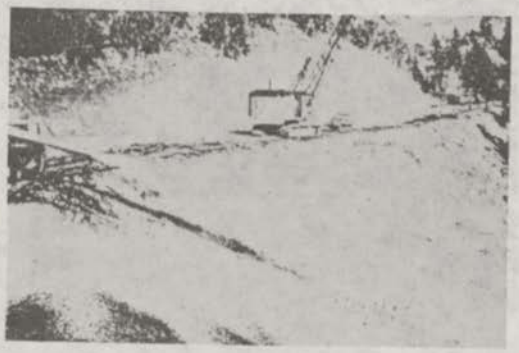


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FOREST LOCAL SYSTEM

EXAMPLES

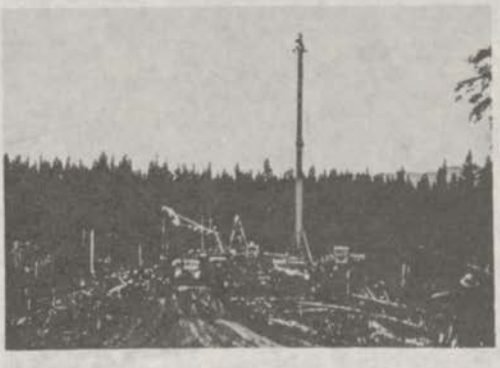




TERMINAL FACILITIES

TEMPORARY

NOT ON ROAD SYSTEM - TIMBER FINANCED



LOG TRANSFER SITE AND SHORT ACCESS

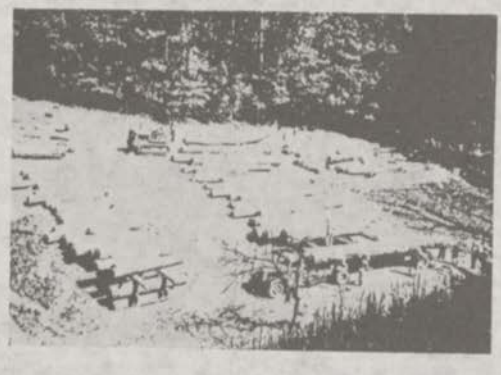


HELICOPTER TRANSFER SITE

TERMINAL FACILITIES

TEMPORARY

NOT ON ROAD SYSTEM -
TIMBER FINANCED



LOG TRANSFER SITE

TERMINAL FACILITIES

PERMANENT

NOT ON ROAD SYSTEM
GOVERNMENT FINANCED



BOAT RAMP



RECREATION PARKING

ROAD CONSTRUCTION PHASES

TRAVEL WAY STRUCTURE



PHASE 1 - EXPOSE NATIVE MATERIAL

IF INADEQUATE FOR HEAVY TRAVEL, ANY OR ALL OF PHASE 2, 3, OR 4 ACTIVITIES NEEDED



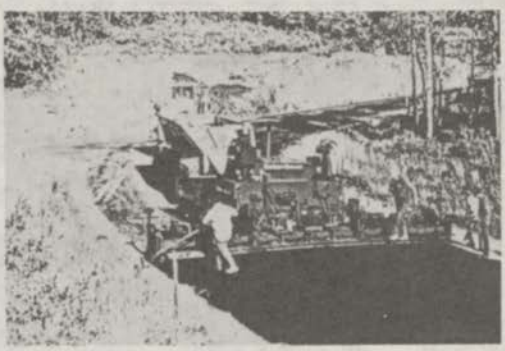
PHASE 2 - APPLY STRUCTURAL BASE COURSE OR SURFACE GRAVEL ON TOP OF NATIVE MATERIAL

ROAD CONSTRUCTION PHASES

TRAVEL WAY STRUCTURE

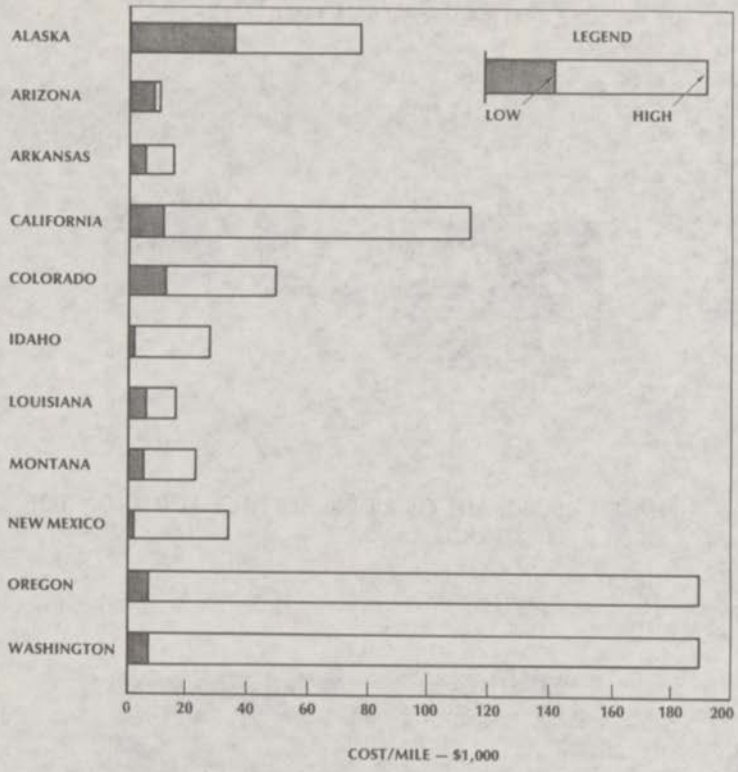


PHASE 3 - SUBGRADE OR RIDING SURFACE ADDED ON TOP OF STRUCTURAL BASE



PHASE 4 - RIDING SURFACE ADDED ON TOP OF SUBGRADE

TIMBER PURCHASER ROAD CONSTRUCTION COST RANGE — FY 1974



NOTE: RANGE SHOWN FOR STATES WHERE TOTAL CONSTRUCTION VALUE EXCEEDED $1,000,000 IN FY 1974.

Table 1. Forest Roads and Trails Program
Use of Authority and Purchaser Credit

	Fiscal Year				
	1972	1973	1974	1975	1976
1 – Federal Aid Highway Act - unfunded contract authority available (available one year preceding FY for which authorized and two years after close of FY for which authorized, 23 USC 203)	$170,000	$140,000	$140,000	$140,000	-----
2 – Cash appropriated to liquidate contract authority	148,740	158,840	97,700	124,578	$108,225*
3 – Cash available pursuant to 16 USC 501 (based on receipts in NF's Fund in the preceding fiscal year)	22,662	33,871	45,469	47,003	47,975*
4 – Total cash available (2 + 3)	171,402	192,711	143,169	171,581	156,200*
5 – FS budget requests - cash	138,740	158,840	94,700	124,714	108,225
6 – Cash appropriated (same as item above)	148,740	158,840	97,700	124,578	108,225*
7 – FS budget requests - program level					
– Federal Aid Highway Act	140,803	135,283	70,900	106,447	110,563
– 10% Fund (16 USC 501)	32,760*	34,280*	40,900*	40,500*	47,975*
– TOTAL	173,563	169,563	111,800	146,94	158,538
8 – Approved program level - Federal Aid Highway Act	148,101	122,627	84,746	112,103	110,563*
9 – Total program level obligated:					
– Federal Aid Highway Act	152,272	123,621	85,586	112,103*	110,563*
– 10% Fund (16 USC 501)	22,662	33,871	45,469	47,003	47,975
– TOTAL	174,934	157,492	131,055	159,106*	158,538*
10 – Difference between program level obligated & actual authorization available (9 - 1 - 3)	232,052	279,383	310,000	276,286*	280,000*
11 – Program level obligated for maintenance of Roads and Trails:					
– Timber Roads	18,150	20,900	19,250	18,700	20,350*
– Other Roads and Trails	20,970	23,904	21,385	21,370	22,994
– All Roads & Trails	39,120	44,804	40,635	40,070*	43,344*
12 – Program Level Obligated for Timber Roads from appropriated Fund					
Design and Supervision:					
– Timber Roads	19,776	13,003	11,000	0	0
Actual Construction:					
– Road Bridges	7,819	3,638	4,967	5,654*	5,267*
– Timber Roads	37,838	30,133	8,286	0	0
13 – Program Level Obligated for Other Roads & Trails from Appropriated Funds					
Design and Supervision	6,779	6,957	6,517	4,599*	2,800*
Actual Construction	20,307	10,690	3,000	10,000*	3,000*
14 – Timber Purchaser Road Construction and recon. (Timber Credits)	101,178	128,453	130,589	161,216*	183,000*
15 – Timber Purchaser Supplemental from Appropriated Funds					
– Design and Supervision	38,657	41,857	53,187	94,249*	98,577*
– Construction & Materials	5,638	6,410	3,463	4,534*	5,550*
16 – All Construction Items (not including work done by Timber Purchasers)	136,814	112,688	90,420	119,036*	115,194*

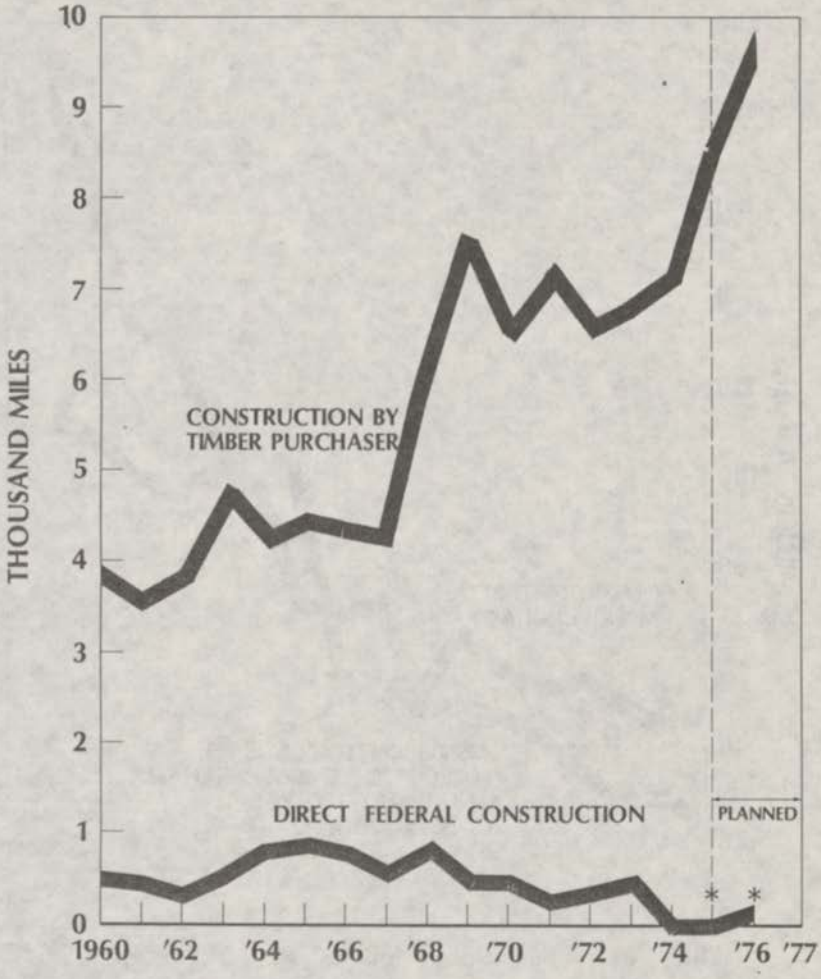
*Estimated

Table 2. Comparison of Mileage & Value
Timber Access Road Construction

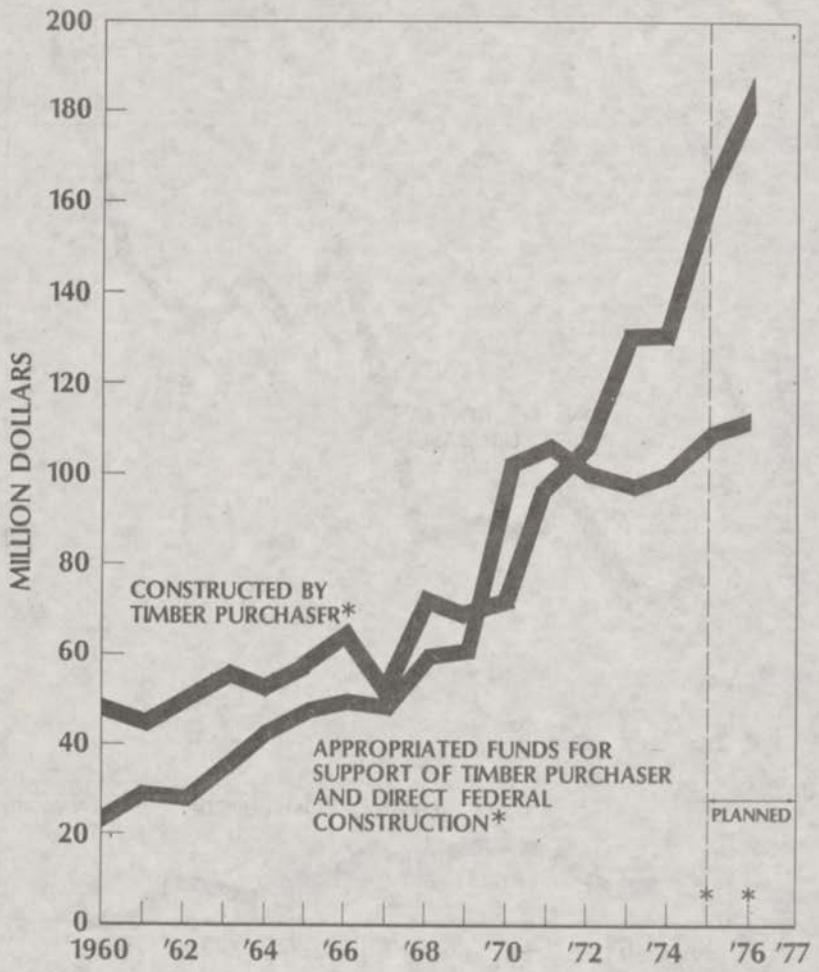
FY	MILES		VALUE IN MILLIONS OF DOLLARS	
	Appropriated	Timber Purchaser	Appropriated	Timber Purchaser
60	507	3,841	21.9	47.4
61	410	3,525	26.7	44.2
62	253	3,693	25.5	48.9
63	489	4,789	34.1	54.5
64	756	4,237	42.0	51.0
65	822	4,362	47.5	56.7
66	745	4,294	48.2	64.0
67	572	4,154	46.4	50.7
68	729	5,950	58.1	71.2
69	454	7,577	59.9	68.0
70	430	6,429	100.3	70.1
71	247	7,216	106.0	97.0
72	339	6,512	105.9	101.2
73	527	6,727	96.4	128.5
74	36	7,080	99.5	130.6
75*	0	8,427	108.8	161.2
76*	142	9,620	112.5	183.0

* = Planned

COMPARISON OF MILEAGE CONSTRUCTED FOR TIMBER ACCESS ROADS



COMPARISON OF VALUE OF TIMBER ACCESS ROADS



*Surveys, designs and project supervision for Timber Purchaser Roads are accomplished by and included with appropriated funds.

Table 3. Forest Road System by States
(Rounded to Nearest 10 Miles)

State	Miles of Existing Roads			Miles of Planned Roads	Estimated Total System
	Timber Related	Multi–Purpose	Total Miles		
Alabama	780	170	950	1,200	2,150
Alaska	530	200	730	2,400	3,130
Arizona	3,060	8,740	11,800	1,800	13,600
Arkansas	2,000	930	2,930	4,300	7,230
California	19,770	19,070	38,840	34,500	73,340
Colorado	3,360	10,980	14,340	3,000	17,340
Florida	1,080	200	1,280	1,600	2,880
Georgia	860	380	1,240	400	1,640
Idaho	10,470	8,590	19,060	8,900	27,960
Illinois	290	170	460	1,600	2,060
Indiana	410	700	1,110	900	2,010
Kansas	—	70	70	—	70
Kentucky	950	430	1,380	1,500	2,880
Louisiana	970	100	1,070	400	1,470
Maine	40	30	70	40	110
Michigan	4,000	40	4,040	1,900	5,940
Minnesota	2,930	80	3,010	2,300	5,310
Mississippi	1,110	320	1,430	1,900	3,330
Missouri	870	330	1,200	3,800	5,000
Montana	13,190	1,540	14,730	9,600	24,330
Nebraska	10	460	470	100	570
Nevada	30	3,170	3,200	1,500	4,700
New Hampshire	180	150	330	200	530
New Mexico	1,930	6,950	8,880	1,600	10,480
New York	—	20	20	—	20
North Carolina	700	280	980	1,800	2,780
North Dakota	—	300	300	40	340
Ohio	60	60	120	400	520
Oklahoma	190	90	280	—	280
Oregon	26,050	7,690	33,740	21,600	55,340
Pennsylvania	660	130	790	200	990
Puerto Rico	10	20	30	—	30
South Carolina	1,000	150	1,150	600	1,750
South Dakota	970	1,780	2,750	500	3,250
Tennessee	520	200	720	1,800	2,520
Texas	540	170	710	1,800	2,510
Utah	1,430	6,240	7,670	3,400	11,070
Vermont	160	30	190	100	290
Virginia	870	370	1,240	3,900	5,140
Washington	9,270	4,280	13,550	12,400	25,950
West Virginia	500	320	820	600	1,420
Wisconsin	1,760	560	2,320	500	2,820
Wyoming	1,250	4,950	6,200	700	6,900
TOTAL	114,760	91,440	206,200	135,780	341,980

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
Washington, D.C. 20250

1510

AUG 1 2 1975

Honorable Lloyd Bentsen
Chairman, Subcommittee on
Transportation
United States Senate

Dear Mr. Chairman:

At the July 14, 1975, hearing on the National Forest Roads and Trails Program, Senator McClure asked Associate Chief Rexford A. Resler to comment further on the factors that have lead to a decrease in the Forest highway system.

Forest highways are important for accessing the National Forests for they are often the connecting routes between the Forest development roads and the major Federal-aid highways. Roads that have been eliminated as forest highways are no longer on any Federal-aid highway system and therefore the States, counties, and local governments must be relied upon to fund the proportion of construction and reconstruction needs generated by the use of National Forest resources.

Our review of the series of actions by the Administration and Congress, since a joint resolution by Congress in 1966, indicates that the reduction of the Forest highway system as it related to National Forest management was the result of incremental decision and definitions over time.

The first action which lead to a decrease in the forest highway system occurred as a result of the inclusion of forest highways in the Federal-aid system through the Federal Aid Highway Act of 1970. The intent of the forest highways as defined by the Act of August 27, 1958, was to provide specific Federal funding for highways across National Forest land that not only served the National Forests but were of primary importance to the States, counties, or communities within, adjoining, or adjacent to the National Forests. Such roads were not required to be on the Federal-aid system by the Act, although many were. The Federal Aid Highway Act of 1970 (Public Law 91-605) added to the definition of forest highways provisions requiring that highways be on the Federal-aid system. The effect of the 1970 Act was to require existing forest highways to be placed on

the Federal-aid system or dropped as forest highways. Whether Congress fully understood that this would occur as a result of the 1970 Act, we do not know.

The next action which further lead to a decrease in forest highways was the development of new criteria for defining Federal-aid system collector routes. Enclosed are two documents entitled "Realignment of Federal-Aid Highway Systems" and "Highway Functional Classification" which sum up the actions and define the collector route criteria of the Federal-aid system. Roads that have been eliminated as forest highways are those that do not meet the rural "major collector" definition referred to in these documents.

Sincerely,

R. Max Peterson

R. MAX PETERSON
Deputy Chief

Enclosures

REALIGNMENT OF FEDERAL-AID HIGHWAY SYSTEMS

By
B. G. Bullard, Chief
Highway Systems Branch
Program Management Division
Office of Highway Planning
at
AASHTO 60th Annual Meeting
Secondary Roads Committee Session
Detroit, Michigan
November 18, 1974

INTRODUCTION

The purpose of this paper is to present the highlights of the Federal Highway Administration's proposed policy and procedures for implementing the realignment provisions of the Federal-Aid Highway Act of 1973. These provisions require that on July 1, 1976, the Federal-aid primary, secondary and urban highway systems shall be realigned on the basis of anticipated functional usage in the year 1980. The Federal Highway Administration released a proposed directive on policy and procedures for general review and comment on November 1, 1974. Final review comments are due by the early part of December, and a final directive--Volume 4, Chapter 6, Section 7 of the Federal-Aid Highway Program Manual--is expected to be issued in January 1975.

Before proceeding with the presentation on realignment, it might be helpful to briefly review the past in terms of how we got to where we are now with particular emphasis on the Federal-aid secondary system. In the 1960's, there developed a rather widespread concern in the highway fraternity, at State, local and Federal levels, for some kind of rationalization of our highway systems. A joint committee of AASHTO, NACE, and NACO produced the AASHTO-NACO Guide for Functional Highway Classification. The Department of Transportation's 1968 Highway Needs Report to Congress traced the evolution of our Federal-aid systems, pointing out in particular the unplanned growth and lack of State-to-State consistency in the secondary system. The report recommended a nationwide functional classification study, as a basis for review and realignment of the Federal-aid systems. The development of such a functional realignment had the support of both AASHTO and NACO.

We have now had two consecutive national studies concerning functional realignment. The first, reported to Congress in 1970, classified highways as they existed in 1968 according to function and compared this classification with the existing Federal-aid systems. The second study, reported

to Congress in 1972, updated these same functional systems to 1990, based on projected land use and travel, and estimated the 1970-1990 needs costs for these systems. One of the basic findings of these studies was that the mileage extent of the existing Federal-aid secondary system had expanded beyond the Federal interest in terms of both function and ability to improve with available revenues. After considerable deliberation, the Congress passed the realignment legislation which limited the Federal-aid secondary system to rural major collectors. Based on a strict interpretation of the results from the national studies, the potential impact of realignment on the Federal-aid secondary system could be a possible reduction of between 50 and 60 percent of the existing rural Federal-aid secondary system mileage.

Recently, the Task Force Committee of the Secondary Roads Subcommittee, as well as several State and local governments, proposed that the realignment legislation should be amended to provide for a Federal-aid secondary system consisting of rural major and minor collectors. Although this proposal has merit with respect to realignment on a functional basis, the Federal Highway Administration cannot support the amendment because it could further expand the mileage extent of the Federal-aid secondary system and widen the gap between construction needs and available revenues for improvement of the system. Although we can understand State and local government concern about the potential reduction in Federal-aid secondary mileage, we believe there are several factors which might help to lessen this concern.

First, our proposed policy and procedures for implementing the realignment are more flexible than was the case for national study purposes. Although we expect a substantial reduction in the Federal-aid secondary mileage, we believe the reduction will be less than the potential 50 to 60 percent reported in the national studies. We believe that State and local officials will have sufficient flexibility to designate an adequate Federal-aid secondary system under the provisions of the proposed directive.

Second, based on the funding level and participation ratio (70-30) for Fiscal Years 1974, 1975, and 1976 for the Federal-aid secondary system, the Congress has not deemphasized the system. Given the same funding level and realigned system in the future, the States and local officials can still achieve the same overall construction program level by concentrating non-Federal-aid construction projects on minor collector and local roads.

Third, an additional development, which is yet only in the discussion stage, would involve new legislation to create a special off-system fund. States would be allowed their own unique priorities. Again, this is only in the discussion stage now, and it would require new legislation.

With this brief introduction completed, we can now proceed with the highlights of each of the ten individual paragraphs of the proposed directive.

HIGHLIGHTS OF PROPOSED DIRECTIVE ON REALIGNMENT

1. Purpose

To set forth policies and procedures for implementing the realignment of the Federal-aid primary, secondary, and urban systems as well as the continuation of policies and procedures for the Interstate System.

2. Authority

Issued under authority of 23 U.S.C. 103 and 315 as well as 49 CFR 1.48.

3. Background

Advises that existing Federal-aid systems and related policies and procedures will be continued until June 30, 1976. Sets the effective date for realignment as July 1, 1976. Advises that State and local officials should complete all planning and coordination work for realignment prior to July 1, 1976. Advises that States may formally propose system action on realignment prior to July 1 and the Federal Highway Administration's Division Engineer may approve the proposed action with an effective date of July 1, 1976.

4. Definitions

a. Terms defined in 23 U.S.C. 101(a) are used in this section of the manual as so defined.

b. The following terms, where used in this section of the manual, have the following meaning:

(1) In urbanized areas, the term "appropriate local officials" means the principal elected officials of general purpose local governments (and until January 2, 1975, the Commissioner of the District of Columbia) acting through the metropolitan planning organization designated by the Governor.

(2) In rural areas and urban areas (other than urbanized areas) the term "appropriate local officials" means the principal elected officials of general purpose local governments.

5. System Classification

a. The National System of Interstate and Defense Highways shall consist of routes of highest importance to the Nation, which connect the principal metropolitan areas, cities, and industrial centers, including important routes into, through, and around urban areas, serve the national defense and, to the greatest extent possible, connect at suitable border points with routes of continental importance in Canada and Mexico.

b. The Federal-aid primary system shall consists of an adequate system of connected main roads important to interstate, statewide, and regional travel, consisting of rural arterial routes and their extensions into or through urban areas.

c. The Federal-aid secondary system shall consist of rural major collector routes.

d. The Federal-aid urban system shall consist of arterial routes and collector routes, exclusive of urban extensions of the Federal-aid primary system.

6. General Procedures

a. Area Classification

(1) A rural area is all areas of a State not included in urban areas.

(2) An urban area is either an urban place as designated by the Bureau of the Census having a population of 5,000 or more and not within any urbanized area; or an urbanized area as designated by the Bureau of the Census.

b. Functional Classification

(1) The various Federal-aid systems shall be designated on the basis of their anticipated functional usage. The anticipated functional usage should be determined in accordance with the functional concepts, criteria, and procedures described in Volume 20, Appendix 12, Highway Planning and Program Manual.

(2) The year of anticipated functional usage should be 5 to 10 years in the future. This should provide sufficient time for programing and implementing projected route segments.

(3) The State highway department shall have the primary responsibility for initially conducting and periodically updating a statewide highway functional classification study to determine anticipated functional usage. The State shall cooperate with appropriate local officials in conducting and updating the study.

(4) In recognization that there are borderline decisions in the functional classification process where a route might be placed in either of two classes such as a minor arterial or major collector, the State highway departments and appropriate local officials may be liberal in these decisions with regard to the functional classification of a specific route as long as basic functional concepts, criteria, and procedures are implemented on a rational and orderly systemwide basis.

(5) The results of the functional classification study shall be submitted to the Federal Highway Administration for approval and when approved shall serve as an official document for designation of Federal-aid systems. The State's submittal shall include highway maps showing the functional systems, statistics regarding the mileage extent of the functional systems, and a statement that the study was conducted in cooperation with appropriate local officials

c. Designation of Federal-aid systems

(1) The routes of the Interstate System to the greatest extent possible, shall be designated by joint action of the State highway departments of each State and adjoining States.

(2) The routes of the Federal-aid primary system shall be designated by each State acting through its State highway department.

(3) The routes of the Federal-aid secondary system shall be designated by each State acting through its State highway department and appropriate local officials in cooperation with each other.

(4) The routes of the Federal-aid urban system shall be designated by appropriate local officials with the concurrence of the State highway departments.

(5) In urbanized areas, the designation of Federal-aid systems shall be in accordance with the planning process required pursuant to the provisions of 23 U.S.C. 134. In areas under Federal jurisdiction, the designation of Federal-aid systems shall be discussed with the appropriate Federal agency.

d. Extent of Systems

(1) The Interstate System shall not exceed 42,500 miles under the statutory provisions of 23 U.S.C. 103(e)(1) and 103(e)(3).

(2) The Federal-aid primary, secondary, and urban systems do not have a statutory limit on designated mileage. Except in unusual circumstances, however, the mileage extent of these systems should conform with the mileage guidelines for their respective functional classes as shown in Table II-2 and II-3 of Volume 20, Appendix 12, Highway Planning Program Manual. These guidelines with appropriate modification for the Federal-aid secondary system are summarized below:

- The Federal-aid primary system, including the Interstate System but excluding urban extensions, should comprise between 6 to 12 percent of total rural mileage with most States falling in the 7- to 10-percent range.

- The Federal-aid secondary system should comprise between 5 to 18 percent of total rural mileage with most States falling in the 7- to 14-percent range.

- The Federal-aid urban system, including the urban extensions of the Interstate and Federal-aid primary systems, should comprise between 20 and 35 percent of total urban mileage.

e. Designation of Partial Systems - The Federal-aid systems may be designated at less than their maximum extent. Where this is the case, the designation should adhere to the following principles:

(1) In each system, routes should be designated in descending order of functional importance irrespective of current status of improvement.

(2) System mileage should be distributed on a reasonable and fair basis within the area the system is designed to serve.

f. Integration of Systems - All systems shall be properly integrated with each route connected to another Federal-aid route.

(1) Interstate and primary routes should have like system connections at each end. Unlike Interstate and primary route connections shall not be permissible at State lines and urban area boundaries. Interstate and primary spur routes may connect to the urban system where bypass routes have been provided for continuity of through traffic. Where bypass routes are not provided, Interstate and primary routes shall be extended into or through urban areas. Stub routes may be justified in some instances such as connections to important costal cities and short connections to major transportation terminals, defense centers, and cities not directly served by a through route.

(2) Unlike system connections of secondary routes at State and county lines should not be permitted except in unusual circumstances where their denial might penalize or impose a hardship on a State or county. Such cases might arise when a State or county is capable of handling a secondary system that reaches down to include major collector routes of a lower level of importance than are included in the secondary system of an adjoining State or county. A route might also have changing characteristics as it penetrates an adjoining State or county, so that based on relative position in the separate scales of importance in the two jurisdictions, it might merit different classifications.

(3) Secondary route extensions into or through urban areas shall not be permissible. Secondary route continuity into or through urban areas shall be provided on the Federal-aid urban system.

(4) Stub secondary routes in rural areas are permissible as routes reach outward from primary and secondary highways and major market centers to serve other traffic generators of intracounty importance. Points where there is an appreciable break in intracounty traffic, such as consolidated schools, shipping points, county parks, important mining and agricultural centers, and important road junctions, are acceptable as secondary route termini. A county line is not normally justified as a terminus.

(5) Federal-aid secondary routes need not be continuous through Indian reservations, but may connect at the reservation boundaries or at points within the reservation with routes of the Indian reservation road system.

(6) The Federal-aid urban system shall be located in each urbanized area and such other urban areas as the State highway department may designate. In small urban areas, the State highway departments are encouraged to designate urban systems with particular emphasis on providing continuity of Federal-aid secondary routes.

(7) Stub routes on the urban system are permissible at urban area boundaries and as urban routes reach out from other Federal-aid routes to directly serve major centers of urban activity as well as local traffic generators such as residential neighborhoods, transportation terminals, and commercial and industrial areas.

(8) Individual routes or clusters of routes in widely separated or remote areas of a State (as in Alaska), and on offshore islands, are permissible without connections to other segments of the system if the routes are otherwise justified.

g. Federal-aid route numbers

(1) All Federal-aid routes shall be identified with a route number which shall not exceed four digits. The four-digit number shall not include letters of the alphabet. The route number may be repeated in more than one county or urban area.

7. Specific System Procedures

a. Interstate System

(1) Interstate routes shall be numbered in accordance with the numbering policy adopted by the American Association of State Highway and Transportation Officials (AASHTO). All proposals for route numbers on the Interstate System, including revisions of previously designated routes, shall be made concurrently to FHWA and AASHTO.

(2) Proposals for system actions on the Interstate System shall include a route description such as prescribed in attachment 1. Route descriptions for city-to-city routes are to name all control areas. Descriptions for belts, loops and spurs into, through and around urban areas should be very broad to avoid the necessity for revision when detailed locations are selected.

(3) In support of proposals, the State highway department shall forward copies of the official State highway map, or section of map, with the control areas and the affected Interstate routes marked thereon; a statement justifying control areas; and a statement indicating agreement with adjoining States on State-line connections.

(4) All Interstate routes shall automatically become a part of the Federal-aid primary system. For purposes of establishing the official mileage extent and funding eligibility, each proposal for system action on the Interstate System shall identify appropriate sections or subsections of 23 U.S.C. that apply with their respective mileages.

b. Primary System

(1) Proposals for the primary system shall include a brief route description and related information such as prescribed in attachment 2. Route descriptions should cover both rural and urban portions of Federal-aid primary routes. Primary route descriptions should be revised where designated control points are deleted, changed, or new control points added. Each proposal should indicate the total route mileage for each proposed or revised route, classified as rural and urban.

(2) Proposals shall include a county highway map of adequate scale with all Federal-aid systems identified with appropriate map symbols and route numbers.

c. Secondary System

(1) Proposals for the secondary system shall include a brief route description and related information such as prescribed in attachment 2.

(2) Suitable scale sketch, strip or county highway maps with all Federal-aid systems identified with appropriate map symbols and route numbers shall accompany individual proposals for system actions. For extensive revisions of the system county planning survey maps, preferably half-scale, should be used.

d. Urban System

(1) Proposals for the urban system shall include a brief route description and related information such as prescribed in attachment 2.

(2) The Federal-aid urban system shall be delineated on highway maps of adequate scale showing the urban area boundaries. The maps shall identify all Federal-aid systems with appropriate map symbols and route numbers. The map submission should indicate if urban area boundary and urban system actions are being submitted concurrently.

(3) Local and State officials are encouraged to take action on designating Federal-aid urban systems and urban area boundaries concurrently.

8. Reclassification, Deletions, and Reinstatements

Provides for reclassification of routes from one Federal-aid system to another Federal-aid system, deletion of routes from Federal-aid systems, and reinstatement of routes previously deleted from Federal-aid systems. Approval actions on reclassifications and reinstatements are conditioned upon State meeting obligations previously agreed to in project agreements executed for Federal-aid projects on such routes.

9. Proposals for System Actions

a. The State highway departments shall have the responsibility for proposing to the Federal Highway Administration all official actions regarding the designation, modification, or revision of Federal-aid highway systems.

b. In justification of proposed system actions, each proposal shall contain route descriptions, maps, and related information as prescribed in paragraphs 6 and 7 of this directive. All proposals shall contain a statement that proposed system actions are in conformance with the procedures in paragraphs 6 and 7. All proposals shall also contain a statement that proposed system actions are in accordance with the requirements for participation with appropriate local officials and in urbanized areas in accordance with the planning process required pursuant to the provisions of 23 U.S.C. 134.

c. Existing documentation in effect on June 30, 1976, for the Interstate System will be continued on July 1, 1976, without change under the provisions of this directive.

10. Approval Authority

a. The Federal Highway Administrator has the responsibility for approving system actions involving the designation, modification, or revision of the Interstate System including control areas and route numbers.

b. The Federal Highway Administration's Division Engineer has the responsibility for approving the statewide functional classification study and system actions involving the designation, modification, and revision of the Federal-aid primary, secondary, and urban systems as well as control points, general locations, and specific locations of the Interstate System.

c. System actions requiring the approval of the Federal Highway Administrator are to be forwarded with appropriate comments and recommendations either by memorandum or by endorsement of the proposal. System actions that are approved in the field offices should be forwarded with such documents and copies of correspondence as may be necessary to complete or correct the records. Both types of system actions are to be forwarded to the Washington office (Attention HHP-14).

CONCLUSIONS

This presentation covered the highlights of the Federal Highway Administration's proposed directive for implementing the realignment of Federal-aid systems. Some details were also covered with particular reference to the Federal-aid secondary system. We believe State and local officials will have the opportunity and flexibility to designate an adequate Federal-aid secondary system under the provisions of the directive. We emphasize, however, that these provisions are subject to revision based on review comments, and we are looking forward to comments and advice from AASHTO on this matter. Members of the AASHTO Secondary Roads Subcommittee will have an important part in the successful implementation of realignment, and we appreciate the opportunity to discuss it with you.

Attachment 1

State Florida Sheet No. _____

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

FAI Route Number	Description
10	From the Florida-Alabama State line northwest of Pensacola via vicinity of Pensacola, Marianna, Tallahassee, and Lake City to FAI Route 95 in Jacksonville.
95	From Miami via vicinity of West Palm Beach, Daytona Beach, and Jacksonville to Florida-Georgia State line north of Jacksonville.
110	From FAI Route 10 north of Pensacola southerly into Pensacola.

(NOTE: Mileage data are not to be shown on this form)

SUGGESTED FORMAT

Attachment 2

Sheet _____ of _____

STATE OF SAMPLE

FEDERAL-AID SYSTEM

Primary: Priority __ Other X Secondary __

Urban: Urbanized __ Other __

Route Number		ROUTE DESCRIPTION AND TERMINI	County	Mileage 1/		
Federal-aid Route	State or Local Route			Rural	Urban	Total
1	S.R. 1	From the California-Nevada State line southwest of Verdi via Reno, Fernley, Lovelock, Winnemucca, Battle Mountain, Elko, and Wells to the Nevada-Utah State line at Wendover, Utah, with a spur from FAP Route 1 southerly along 17th Street to FAS Route 705 (Glendale Road) in Sparks. Approved 12-7-64	Washoe	41.5	5.4	46.9
			Storey	0.2		0.2
			Lyon	16.3		16.3
			Churchill	27.7		27.7
			Pershing	75.0		75.0
			Humboldt	61.3		61.3
			Lander	26.8		26.8
			Eureka	26.4		26.4
			Elko	131.3	3.2	134.5
			Total	406.5	8.6	415.1
2	C.R. and State Routes 2, 2a, 3, 19, and 24	From the California-Nevada State Line southwest of Glenbrook via Carson City, Dayton, Leeteville, Fallon, Austin, Eureka, and Ely to a junction with FA Route 1 near Wendover, Utah. Revised 7-27-67	Churchill	104.8		104.8
			Douglas	15.3		15.3
			Elko	53.2		53.2
			Eureka	47.4		47.4
			Lander	59.0		59.0
			Lyon	35.3		35.3
			Ormsby	14.4	2.0	16.4
			White Pine	132.7		132.7
			Total	462.1	2.0	464.1
3	S.R. 3, 19, 70 and and local road	From the California-Nevada State line at Topaz Lake via Minden to a point on FA Route 2 south of Carson City via Reno to the Nevada-California State line northwest of Reno, with a spur in Reno from FA Route 3 via East Plumb Lane to the Reno Municipal Airport. Approved 8-25-65	Douglas	34.1		34.1
			Ormsby	3.4	0.8	4.2
			Washoe	34.2	6.9	41.1
			Total	71.7	7.7	79.4

1/ For routes extending into or through two or more counties, show the mileage separately for each county. Show grand totals on last sheet.

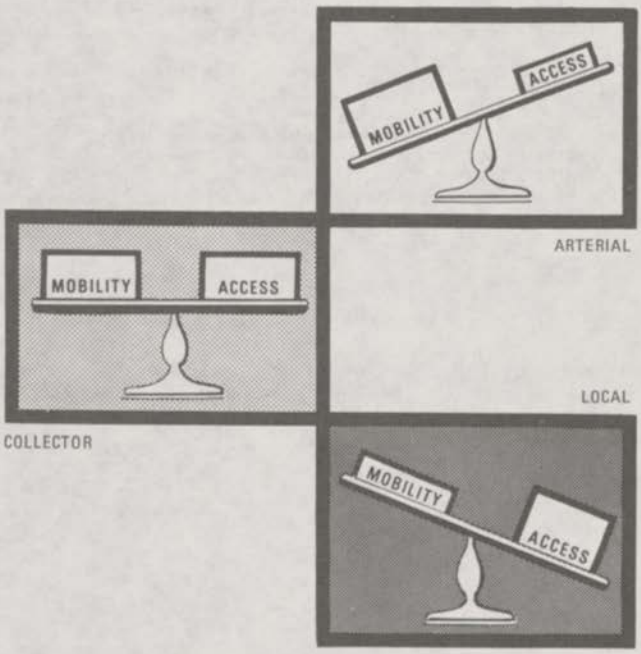
DOT/FHWA

TRANSMITTAL 155

VOLUME 20, APPENDIX 12

Highway Functional Classification

Concepts, Criteria and Procedures



U. S. DEPARTMENT OF TRANSPORTATION
Federal Highway Administration
July 1974

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SECTION I - INTRODUCTION

This reference manual includes sections on (1) concepts of functional highway classification and functional system characteristics and (2) suggested procedures for functional highway classification in rural and small urban areas. The material herein is adapted from two previous FHWA manuals concerned with functional highway classification. The relationship of this manual to these previous documents is discussed below.

Two nationwide studies of functional highway classification were conducted during the period 1969-1971. The first of these, using criteria and procedures specified in the 1968 National Highway Functional Classification Study Manual, (FHWA, April 1969) called for the functional classification of existing (1968) highways. The second study was carried out in accordance with procedures specified in the National Highway Functional Classification and Needs Study Manual (1970 to 1990) (DOT National Transportation Planning Study, Manual B, February 1970). This latter study used the same functional classes and basic functional criteria as the first study, but provided for the classification to be based on projected 1990 facilities and usage.

Subsequent Federal legislation has expressed the intent to utilize functional highway classification to update and modify the Federal-aid highway systems. Also a number of States have adapted the functional classes and criteria from these studies for their own purposes. For both these reasons, a need has developed for a republication of the functional classification concepts and criteria that were expressed in the aforementioned manuals, without the reference to specific study requirements that pertained in those manuals.

The functional classes and their characteristics defined in this manual are, with one exception, identical to those in the predecessor manuals. The exception is an addition to the functional system characteristics for the Urban Collector Street System (Page II-13) to the effect that, "in the central business district, and in other areas of like development and traffic density, the collector system may include the street grid which forms a logical entity for traffic circulation." Except for this addition the text has been reworded only to the extent necessary to delete reference to the original studies. The discussion of functional classification concepts is taken intact from the earlier (1969) of the two manuals.

Also included herein is a discussion of suggested classification procedures for rural and small urban areas, which derives from the predecessor manuals, relying largely, in fact, on their original wording. This approach therefore provides first, a description of suggested procedures for classifying an existing network, followed by procedural suggestions for developing an updated or "future year" classification.

Procedures for functional classification in urbanized areas have not been included herein. Functional systems in urbanized areas should be developed within the framework of the continuing, comprehensive, and cooperative planning process carried out pursuant to Section 134 of Title 23, U.S. Code.

SECTION II--CONCEPTS, DEFINITIONS, AND SYSTEM CHARACTERISTICS

THE CONCEPT OF FUNCTIONAL CLASSIFICATION

Functional classification is the process by which streets and highways are grouped into classes, or systems, according to the character of service they are intended to provide. Basic to this process is the recognition that individual roads and streets do not serve travel independently in any major way. Rather, most travel involves movement through a network of roads. It becomes necessary then to determine how this travel can be channelized within the network in a logical and efficient manner. Functional classification defines the nature of this channelization process by defining the part that any particular road or street should play in serving the flow of trips through a highway network.

A schematic illustration of this basic idea is provided in figure II-1. In the upper diagram, lines of travel desire are shown as straight lines connecting trip origins and destinations. Relative widths of lines indicate relative amounts of travel desire. Relative sizes of circles indicate relative trip generating or attracting power of the places shown. Since it is impractical to provide direct-line connections for every desire line, trips must be channelized on a limited road network in a logical and efficient manner. This can be done as shown in the lower diagram of figure II-1. Note that the heavy travel movements are directly served or nearly so; and that the lesser ones are channeled into somewhat indirect paths. The facilities shown in the diagram have been labeled local, collector and arterial; terms which are descriptive of their functional relationships. Note particularly that this hierarchy of functional types relates directly to the hierarchy of travel distances which they serve.

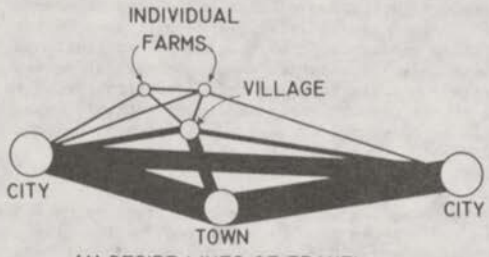
A more complete (though still schematic) illustration of a functionally classified rural network is shown in figure II-2. Since the cities and larger towns generate and attract a large proportion of the relatively longer trips, the arterial highways generally provide direct service for such travel. The intermediate functional category, the collectors, serves small towns directly, connects them to the arterial network, and collects traffic from the bottom-level system of local roads, which serves individual farms and other rural land uses.

Although the above example has a rural setting, the same basic concepts apply in urban areas as well. A similar hierarchy of systems can be defined; however, because of the high intensity of land use and travel throughout an urban area, specific travel generation centers are more difficult to identify. In urban areas additional considerations, such as spacing, become more important in defining a logical and efficient network. A schematic illustration of a functionally classified urban street network is shown in figure II-3.

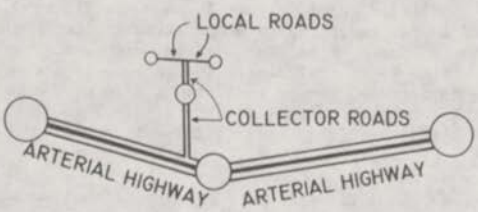
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FIGURE II-1

CHANNELIZATION OF TRIPS



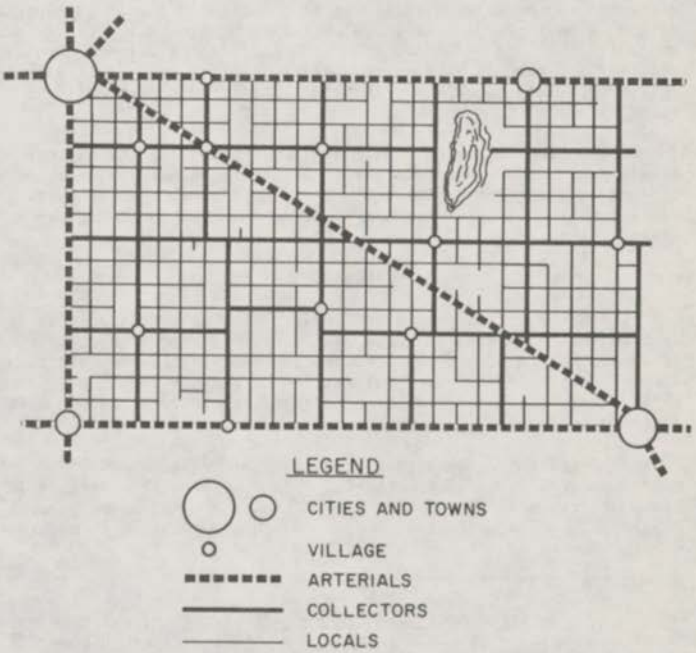
(A) DESIRE LINES OF TRAVEL



(B) ROAD NETWORK PROVIDED

FIGURE II-2

SCHEMATIC ILLUSTRATION OF A FUNCTIONALLY CLASSIFIED RURAL HIGHWAY NETWORK



Allied to the idea of traffic channelization is the dual role the highway network plays in providing (1) access to property, and (2) travel mobility. Access is a fixed requirement, necessary at both ends of any trip. Mobility, along the path of such trips, can be provided at varying levels, usually referred to as "level of service." It can incorporate a wide range of elements (e.g., riding comfort and freedom from speed changes) but the most basic is operating speed or trip travel time.

It was pointed out in the discussion of figure II-1 that the concept of traffic channelization leads logically not only to a functional hierarchy of classes, but also to a parallel hierarchy of relative travel distances served by those classes. This hierarchy of travel distances can be related logically to a desirable functional specialization in meeting the access and mobility requirements. Local facilities emphasize the land access function. Arterials emphasize a high level of mobility for through movement. Collectors offer more-or-less balanced service for both functions. This is illustrated conceptually in figure II-4.

Functional classification can be applied in planning highway system development, determining the jurisdictional responsibility for particular systems, and in fiscal planning. These applications of functional classification are discussed in "A Guide for Functional Highway Classification." 1/

AREA DEFINITIONS

Urban and rural areas have fundamentally different characteristics as to density and types of land use, density of street and highway networks, nature of travel patterns, and the way in which all these elements are related in the definitions of highway function. Consequently, this manual provides for separate classification of urban and rural functional systems.

Experience has shown that extensions of rural arterial and collector routes provide an adequate arterial street network in places of less than 5,000 population. Hence urban classifications as discussed herein are considered in the context of places of 5,000 population or more.

1/ A Guide for Functional Highway Classification, prepared by a joint subcommittee of the American Association of State Highway Officials, the National Association of Counties, and the National Association of County Engineers (1964). This document is included as Appendix A to Volume 7, Chapter I of the Federal Highway Administration Highway Planning Program Manual.

FIGURE II-3
SCHEMATIC OF A PORTION OF AN URBAN STREET NETWORK

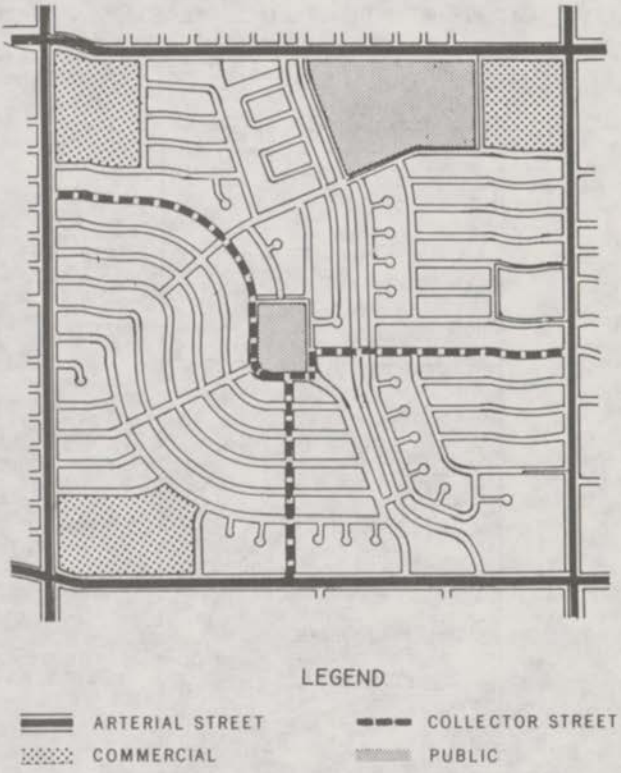
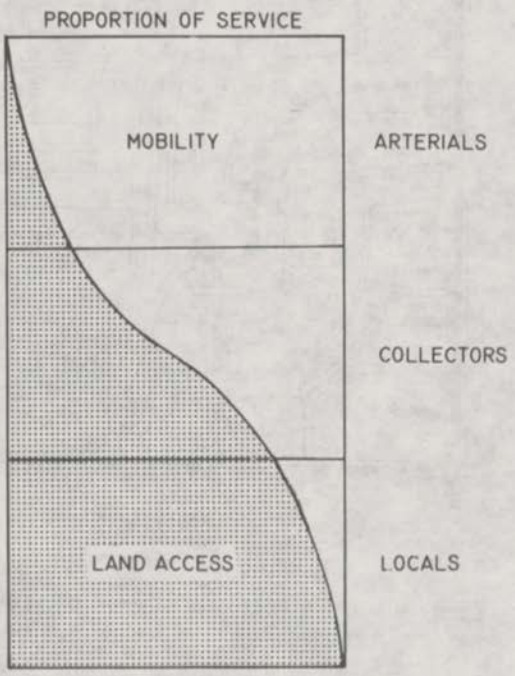


FIGURE II-4

RELATIONSHIP OF FUNCTIONALLY CLASSIFIED SYSTEMS IN SERVING TRAFFIC MOBILITY AND LAND ACCESS



Urban areas are defined in Federal-aid highway law (Section 101 of Title 23, U.S. Code) as follows:

> "The term 'urban area' means an urbanized area or, in the case of an urbanized area encompassing more than one State, that part of the urbanized area in each such State, or an urban place as designated by the Bureau of the Census having a population of five thousand or more and not within any urbanized area, within boundaries to be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary. Such boundaries shall, as a minimum, encompass the entire urban place designated by the Bureau of the Census."

For clarity and simplicity this reference manual will use the following terminology, which is consistent with the above legislative definition.

Small urban areas are those urban places, as designated by the Bureau of the Census having a population of five thousand (5,000) or more and not within any urbanized areas.

Urbanized areas are designated as such by the Bureau of the Census.

Rural areas comprise the areas outside the boundaries of small urban and urbanized areas, as defined above.

FUNCTIONAL SYSTEM CHARACTERISTICS

The following pages are devoted to separate descriptions of the characteristics of the basic functional systems and their subsystems for (1) rural areas, (2) urbanized areas, and (3) small urban areas. The primary functional categories used for each of the three area types are presented in table II-1.

Table II-1--The hierarchy of functional systems

Rural areas	Urbanized areas	Small urban areas
Principal arterials	Principal arterials	Principal arterials
Minor arterial roads	Minor arterial streets	Minor arterial streets
Collector roads	Collector streets	Collector streets
Local roads	Local streets	Local streets

Since there is a wide variation in the characteristics and magnitude of service provided by each of these basic functional systems, further stratification of routes in these systems is prescribed to insure greater adaptability for subsequent use. In rural areas, routes on the principal arterial system are identified as Interstate and other principal arterials; and routes on the collector road system are subclassified as major collector roads and minor collector roads. In urbanized and small urban areas, the routes on the principal arterial system are identified as Interstate, other freeways and expressways, and other principal arterials.

Functional Systems for Rural Areas

Rural roads consist of those facilities that are outside of small urban and urbanized areas, as previously defined. They are classified into four major systems: Principal arterials, minor arterial roads, major and minor collector roads, and local roads.

Guidelines for the extent of mileage on these systems are shown in table II-2 (page II-11).

Rural principal arterial system

The rural principal arterial system consists of a connected rural network of continuous routes having the following characteristics:

1. Serve corridor movements having trip length and travel density characteristics indicative of substantial statewide or interstate travel.

2. Serve[1] all, or virtually all, urban areas of 50,000 and over population and a large majority of those with population of 25,000 and over.

3. Provide an integrated network without stub connections except where unusual geographic or traffic flow conditions dictate otherwise (e.g., international boundary connections and connections to coastal cities).

In the more densely populated States, this class of highway may not include all heavily traveled routes which might warrant multilane improvements. It is likely, however, that in the majority of States the principal arterial system will include most, if not all, existing rural freeways.

The principal arterial system is stratified into the following two categories:

Interstate System.--The Interstate subclassification consists of all presently designated routes of the Interstate System.

Other principal arterials.--This subclassification consists of all non-Interstate principal arterials.

Rural minor arterial road system

The rural minor arterial road system should, in conjunction with the principal arterial system, form a rural network having the following characteristics:

1. Link cities and larger towns [2] (and other traffic generators, such as major resort areas, that are capable of attracting travel over similarly long distances) and form an integrated network providing interstate and intercounty service.

1/ The term "serve" is difficult to define on a national basis since it varies according to the size of the urban area, the functional system under consideration, and the effects of natural barriers where they exist. As a guide the rural principal arterial system may be considered to "serve" an urban area if the system either penetrates the urban boundary, or comes within 10 miles of the center of the place and is within 20 minutes travel time (off-peak periods) of the center of the place via a minor arterial highway. The rural minor arterial road system "serves" an urban area if the system either penetrates or comes within 2 miles of the urban boundary.

2/ The definition of a "large" town, in terms of population, cannot be arbitrarily determined in such a way as will fit all States. It can be determined in a given State during the classification process by building the system "from the top down," in terms of size of places served, and evaluating successive system increments on a diminishing returns basis, in terms of population service or traffic service. This is discussed in greater detail in Section III.

2. Be spaced at such intervals, consistent with population density, so that all developed areas of the State are within a reasonable distance of an arterial highway.

3. Provide (because of the two characteristics defined immediately above) service to corridors with trip lengths and travel density greater than those predominantly served by rural collector or local systems. Minor arterials therefore constitute routes whose design should be expected to provide for relatively high overall travel speeds, with minimum interference to through movement.

Rural collector road system

The rural collector routes generally serve travel of primarily intracounty rather than statewide importance and constitute those routes on which (regardless of traffic volume) predominant travel distances are shorter than on arterial routes. Consequently, more moderate speeds may be typical, on the average.

In order to define more clearly the characteristics of rural collectors, this system should be subclassified according to the following criteria:

Major collector roads.--These routes should: (1) Provide service to any county seat not on an arterial route, to the larger towns not directly served by the higher systems, and to other traffic generators of equivalent intracounty importance, such as consolidated schools, shipping points, county parks, important mining and agricultural areas, etc.; (2) link these places with nearby larger towns or cities, or with routes of higher classification; and (3) serve the more important intracounty travel corridors.

Minor collector roads.--These routes should: (1) Be spaced at intervals, consistent with population density, to collect traffic from local roads and bring all developed areas within a reasonable distance of a collector road; (2) provide service to the remaining smaller communities; and (3) link the locally important traffic generators with their rural hinterland.

Rural local road system

The rural local road system should have the following characteristics: (1) Serve primarily to provide access to adjacent land; and (2) provide service to travel over relatively short distances as compared to collectors or other higher systems. Local roads will, of course, constitute the rural mileage not classified as principal arterial, minor arterial road, or collector road.

Extent of rural systems

The systems criteria above have been expressed primarily in qualitative, rather than quantitative terms. Because of varying geographic conditions (population density, spacing and size of cities, density and pattern of road network) it is not feasible to define uniform nationwide criteria on size of population centers, on trip length and traffic volume, or on spacing of routes, that would apply to all systems in all States. The results of classification studies conducted in many States throughout the country do, however, show considerable consistency in the relative extent of each system, expressed as a percentage of total rural road mileage.

Systems developed using the criteria herein are generally expected, in all States except Alaska and Hawaii, to fall within the percentage ranges shown in table II-2. The higher values in table II-2 would apply to States which have a less extensive total road network than is typical of States of similar population density. In States having a more extensive total network, the lower values would be expected to apply. The range of percentages for rural collectors is for the total mileage of both major and minor collector roads, and applies to the statewide rural mileage totals; the percentage in any particular county may vary considerably from the statewide average. Areas having an extensive grid pattern of roads will usually have a lesser percentage of collectors than areas wherein geographic conditions have imposed a restricted or less regular pattern of road development.

Table II-2--Guidelines on extent of rural functional systems

Systems	Percentage of total rural miles
Principal arterial system	2-4
Principal arterial plus minor arterial road system	6-12, with most States falling in 7-10 percent range
Collector (major plus minor) road system	20-25
Local road system	65-75

Functional Systems in Urbanized Areas

The four functional systems for urbanized areas are urban principal arterials, minor arterial streets, collector streets, and local streets. The differences in the nature and intensity of development between rural and urban areas cause these systems to have characteristics that are somewhat different from the correspondingly named rural systems.

Guidelines for the extent of mileage and travel on these systems are shown in table II-3 (page II-14).

Urban principal arterial system

In every urban environment there exists a system of streets and highways which can be identified as unusually significant to the area in which it lies in terms of the nature and composition of travel it serves. In smaller urban areas (under 50,000) these facilities may be very limited in number and extent and their importance may be primarily derived from the service provided to travel passing through the area. In larger urban areas their importance also derives from service to rural oriented traffic, but equally or even more important, from service for major movements within these urbanized areas.

This system of streets and highways, called here the urban principal arterial system, should serve the major centers of activity of a metropolitan area, the highest traffic volume corridors, and the longest trip desires; and should carry a high proportion of the total urban area travel on a minimum of mileage. The system should be integrated, both internally and between major rural connections.

The principal arterial system should carry the major portion of trips entering and leaving the urban area, as well as the majority of through movements desiring to bypass the central city. In addition, significant intra-area travel, such as between central business districts and outlying residential areas, between major inner city communities, or between major suburban centers should be served by this class of facilities. Frequently the principal arterial system will carry important intraurban as well as intercity bus routes. Finally, this system in urbanized areas should provide continuity for all rural arterials which intercept the urban boundary.

Because of the nature of the travel served by the principal arterial system, almost all fully and partially controlled access facilities will be part of this functional class. However, this system is not restricted to controlled access routes. In order to preserve the identification of controlled access facilities, the principal arterial system should be stratified as follows: (1) Interstate, (2) other freeways and expressways, and (3) other principal arterials (with no control of access).

The spacing of urban principal arterials will be closely related to the trip-end density characteristics of particular portions of the urban areas. While no firm spacing rule can be established which will apply in all, or even most circumstances, the spacing of principal arterials (in larger urban areas) may vary from less than one mile in the highly developed central business areas to five miles or more in the sparsely developed urban fringes.

For principal arterials, the concept of service to abutting land should be subordinate to the provision of travel service to major traffic movements. It should be noted that only facilities within the "other principal arterial" subclass are capable of providing any direct access to land, and such service should be purely incidental to the primary functional responsibility of this class of roads.

Urban minor arterial street system

The minor arterial street system should interconnect with and augment the urban principal arterial system and provide service to trips of moderate length at a somewhat lower level of travel mobility than major arterials. This system also distributes travel to geographic areas smaller than those identified with the higher system.

The minor arterial street system includes all arterials not classified as principal and contains facilities that place more emphasis on land access than the higher system, and offer a lower level of traffic mobility. Such facilities may carry local bus routes and provide intra-community continuity, but ideally should not penetrate identifiable neighborhoods. This system should include urban connections to rural collector roads where such connections have not been classified for internal reasons as urban principal arterials.

The spacing of minor arterial streets may vary from 1/8 - 1/2 mile in the central business district to 2 - 3 miles in the suburban fringes, but should normally be not more than 1 mile in fully developed areas.

Urban collector street system

The collector street system provides both land access service and traffic circulation within residential neighborhoods, commercial and industrial areas. It differs from the arterial system in that facilities on the collector system may penetrate residential neighborhoods, distributing trips from the arterials through the area to the ultimate destination. Conversely, the collector street also collects traffic from local streets in residential neighborhoods and channels it into the arterial system. In the central business district, and in other areas of like development and traffic density, the collector system may include the street grid which forms a logical entity for traffic circulation.

Urban local street system

The local street system comprises all facilities not on one of the higher systems. It serves primarily to provide direct access to abutting land and access to the higher order systems. It offers the lowest level of mobility and usually contains no bus routes. Service to through traffic movement usually is deliberately discouraged.

Extent of mileage and travel on urban systems

Table II-3 contains guideline ranges of travel volume (VMT) and mileage of each of the four functional systems for urbanized areas. Systems developed for each area using the criteria herein will usually fall within the percentage ranges shown.

Table II-3--Guidelines on extent of urban functional systems

System	Range (percent)	
	VMT	Miles
Principal arterial system	40 - 65	5 - 10
Principal arterial plus minor arterial street systems	65 - 80	15 - 25
Collector street system	5 - 10	5 - 10
Local street system	10 - 30	65 - 80

Functional Systems for Small Urban Areas

The systems and their characteristics listed for urbanized areas are also generally applicable to small urban areas. The basic difference is that, by nature of their size, many small urban areas will not generate internal travel warranting urban principal arterial service.

Thus the principal arterial system for small urban areas will largely consist of extensions of rural arterials into and through the areas. In many instances, these extensions will be located so as to relieve critical sections of the street system while providing efficient movement of travel around (e.g., bypasses) and through the area. The larger urban areas within this population group, particularly those above 25,000 population, may have major activity centers which warrant principal arterial service in addition to that provided by extensions of rural arterials.

The characteristics for the minor arterial street systems, collector street systems, and local street systems in small urban areas are similar to those for urbanized areas.

II-15

Special Urban-Rural Identification

The criteria in this section define urban and rural streets and highways according to their functional character. To assure continuity of the rural arterial systems through urban areas, it is desirable to doubly identify (as indicated below) the urban arterials which form connecting links of the rural arterials. The term "connecting links" means those urban routings which will provide rural-to-rural continuity for the rural arterial systems. A connecting link may traverse the urban area from one boundary to another, or may simply connect to another previously delineated connecting link. (The mileage of any connecting link should not be included more than once.) The necessary continuity may be provided by loop or bypass routes. It is recommended that the identification be made after both the urban and rural functional classifications have been accomplished.

As specified in the systems characteristics in this section, connecting links for the rural principal and minor arterial systems will be on the urban principal arterial system (continuity for the rural Interstate will, of course, be provided by urban Interstate). Connecting links for rural principal arterials should be identified prior to selecting those for minor arterials. The routing of the connecting link for a rural principal arterial should normally be fairly direct, while that for a rural minor arterial may involve some indirection of travel.

The following categories are to be used in identifying these connecting links on the urban principal arterial system:

Other freeways and expressways:

Connecting links of non-Interstate rural principal arterials
Connecting links of rural minor arterials

Other urban principal arterials:

Connecting links of other rural principal arterials
Connecting links of rural minor arterials

Classification Criteria for Alaska, Hawaii, and Puerto Rico

The classification of rural and urban systems in Alaska, Hawaii, and Puerto Rico can generally be consistent with the functional system characteristics described in the preceding sections. However, there may be roads on small islands or in other areas that are isolated from the remaining parts of the State or Commonwealth, and none of these roads may meet the criteria for classification as arterial because of the absence of long-distance, through trips. Conversely, there may be undeveloped areas that have very few miles of collector and local roads. Thus, because of the considerably different geographic conditions existing in these areas as compared to the other 48 States, the systems extent for the rural functional classes may vary a great deal from that shown in table II-2. The systems extent for the urban functional classes should be fairly consistent with that shown in table II-3.

SECTION III - SUGGESTED PROCEDURES FOR RURAL AND SMALL URBAN AREA CLASSIFICATION

INTRODUCTION

This section suggests procedures for classifying all roads and streets into functional systems for rural and small urban areas, based on the most logical use of the existing facilities[1/] to serve present travel. Separate procedures are presented for rural and small urban area classifications. In addition, for both of these area classifications, procedures are given for a functional classification based on projected facilities and usage for some "future year."

While the basic concepts and functional criteria for the development of a "future year" functional classification plan are the same as those for a functional classification of existing facilities, it will differ in two basic respects: (1) It should be based on projected "future year" population, land use and travel; and (2) it will include, in addition to existing facilities, such projected totally new facilities as will be needed to serve "future year" land use and travel. Some of this new mileage will consist of new streets in expanding urban areas.

Beltways and bypasses in smaller cities will constitute another major category of new mileage. In addition, some new routes may be needed to serve planned and committed new recreational areas or new towns. A final category of additional, though in one sense not "new," facilities will be those representing relocation of existing facilities, in cases where adequate standards cannot be provided on the original location, or where an existing routing is excessively circuitous.

In developing a "future year" classification, consideration should be given to the impact of foreseeable developments in other modes of transportation. On statewide systems, especially in heavily traveled intercity corridors, the influence of high-speed rail service and improved air service can be estimated through travel forecasts to the extent they are quantifiable. Such influences will probably have more impact on the needed capacity of highway facilities than on the actual system configuration.

1/ Note: Two special cases should be treated in the following manner: One-way streets should be classified individually, and their mileage and travel accumulated on an individual basis, not in pairs. Frontage roads should be classified independently of the controlled-access facility on which they abut. The classification of frontage roads, based upon the criteria presented in this manual should normally be in the collector or local category.

III-2

"Future Year" - Functional Classification

When a functional classification is made based on a "future year," a projection of population should be made.

As was pointed out in Chapter II, the identification of population centers is essential in the functional classification concept. When a "future year" functional classification is made, population estimates for that "future year" should be prepared for all areas that are expected to be urban as well as for the remaining rural subareas.

Each populated place presently containing less than 5,000 persons and not included within the delimited boundary of a "future year" urbanized area, should be examined to determine whether its anticipated population growth to the "future year" will result in its classification as a small urban area. In addition, certain presently rural areas (i.e., suburban development, new towns, etc.) should be examined to determine those which will qualify as small urban areas due to expected population increases by the "future year."

The base for a "future year" population should be the most recent Federal census. As applicable, the total State regional and national "future year" populations should be given consideration when estimating populations of the individual urbanized and small urban areas in order that the estimates will be reasonable and consistent. Consequently, in making "future year" urban estimates, it will be necessary to develop them coincidently with and in relation to the total "future year" State population projections and the projections for the remaining rural population (including those places from 2,500 to 4,999 population).

A considerable amount of population data is available in the States through the urban transportation studies, from previous functional classification studies (see page I-I), and from agencies preparing current population estimates for the various States.

Because of the variety of kinds of population forecasts and sources of forecasting advice and assistance that are available to the States, no single forecasting procedure is suggested in this manual. Of foremost importance in any procedure is the maintenance of a sound overall perspective. Specifically, the aggregate of individual place projections must stand the test of reasonableness in terms of implied overall trends for urbanized areas, for small urban areas by size group, and for rural area density.

To assure reasonable distribution of total projected population by the above categories an iterative approach with feedback tests is necessary, particularly, in some States, when a very large proportion of the total population growth will occur in urbanized areas. Proportionally small variances in forecasts for these places can have a disproportionate

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effect on residual values applicable to small urban places and rural areas. Hence a step-down residual forecasting procedure without feedback should be avoided.

A more detailed description of population projection techniques is contained in the publication entitled "Population Forecasting Methods," included in the Federal Highway Administration Highway Planning Program Manual as Transmittal 45, Volume 20, Appendix 36.

III-4

CLASSIFICATION PROCEDURES FOR RURAL SYSTEMS

Rural classification procedures apply to those areas outside of urbanized or small urban area boundaries, although many rural routes particularly arterials, continue into or through the latter areas.

Identifying and Ranking Population Centers and Other Travel Generators

The procedure for rural functional classification, as outlined in this subsection, initially involves connecting traffic generators in such a manner as to logically channelize the trips on the road network. Since most trips begin or end in a city of town, population centers are the primary traffic generators considered. However, since travel is also generated by recreation areas, such as national parks, ski resorts, lakes, and beaches, that have little resident population, instructions are included here for comparing the importance of these areas to that of a city or town.

The population of a place generally reflects its capacity for generating and attracting travel. Socio-economic factors, such as trade, employment, etc., may also indicate the importance of a place in relation to intercity travel. Urban areas of similar population and economic activity (and consequently travel generation and attraction) should be identified and service provided to them by routes of the same statewide functional system.

Ranking of population centers, usually on the basis of population is an initial step in the classification process. Available socio-economic data (e.g., sales tax receipts, retail trade, employment, etc.) may be used along with population in this ranking if the State feels that such factors are significant for the area under study. Each urban area should be treated as one center, even if several jurisdictional units are involved and even if part of the population is in an adjoining State.

Since this ranking process is one of the means of determining the population centers for which service by a particular functional system is to be provided, all places thought qualified for service by the major collector road or any higher system should be ranked.

Major travel generators other than cities, such as recreation areas (National and State parks, State fairgrounds, ski resorts, lakes, beaches, etc.) and military installations should be treated separately during the ranking process because of their unique, predominant land activity. Usual trip generation yardsticks, such as population, employment, and related factors which measure the socio-economic status of the area and its population, are not applicable to such generators because of their atypical travel generation potential. For example, National parks and State fairgrounds contain little or no resident population and, in general, contain no commercial or industrial activity other than facilities to serve tourists. Hence, these centers require that other data be employed during the ranking process.

For purposes of functional classification, the annual number of visitors to such a recreation area can be equated to an urban area's population as shown in figure III-1. The recreation area can then be grouped with population centers of similar trip generation potential, and service provided by the same functional system.

Where several recreation areas are located close together and can be served by only one possible route, such as on a coastal peninsula or in a mountainous area, the equivalent populations may be combined in ranking the area.

Visitation data for recreation areas administered by the State and Federal Governments should be available from the Bureau of Outdoor Recreation liaison officer in each State.

The importance of recreation and other generators can be inferred from traffic flow data if there are no other data available for ranking purposes.

Classification of Rural Systems

As stated earlier, the procedure for rural functional system classification initially involves connecting traffic generators in such a manner as to logically channelize the trips on the road networks. The preceding discussion explains procedures for ranking population and other centers of traffic generation. These procedures do not eliminate judgment from the classification process, but when used as a guide they do help to apply judgment in a sound and orderly fashion.

Rural principal and minor arterial systems

The procedures for functional classification of rural roads into the principal arterial and minor arterial systems are described in the following enumerated steps:

1. One of the initial steps in the classification of rural routes is the preparation of road network maps. Maximum use should be made of existing maps although reference to administrative or jurisdictional systems should not be considered in the classification process.

2. Rank travel generators as described in the immediately preceding pages. Plot generators graphically, in order to ranking, and divide into groups, with centers of similar rank in each grouping, as illustrated in figure III-2. While no hard and fast rules apply, six to eight groupings will usually be typical. Too many are better than too few, particularly toward the lower end of the scale. This ranking and grouping will aid in determining which centers qualify for minor arterial service or major collector service, and which will be adequately served by minor collector roads.

FIGURE III-1

VISITATION VS. EQUIVALENT POPULATION
FOR RANKING RECREATION GENERATORS

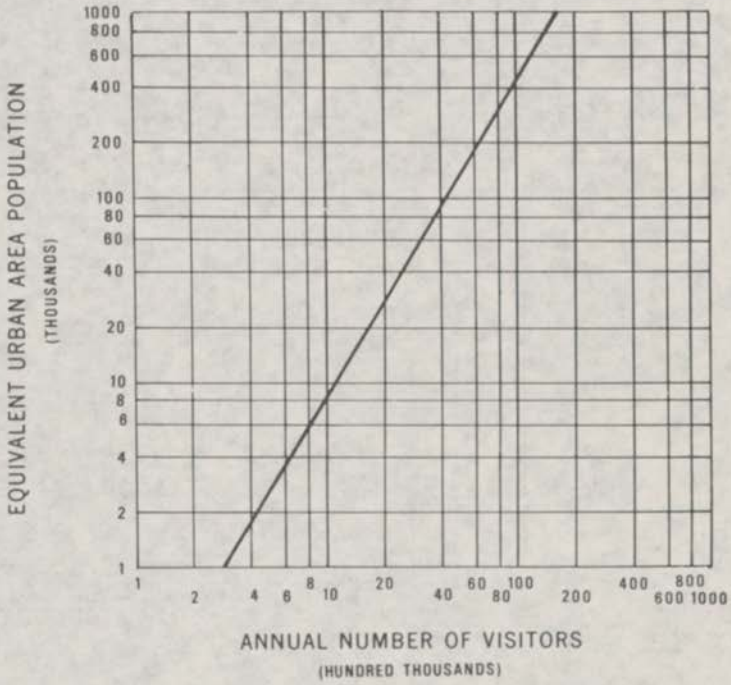
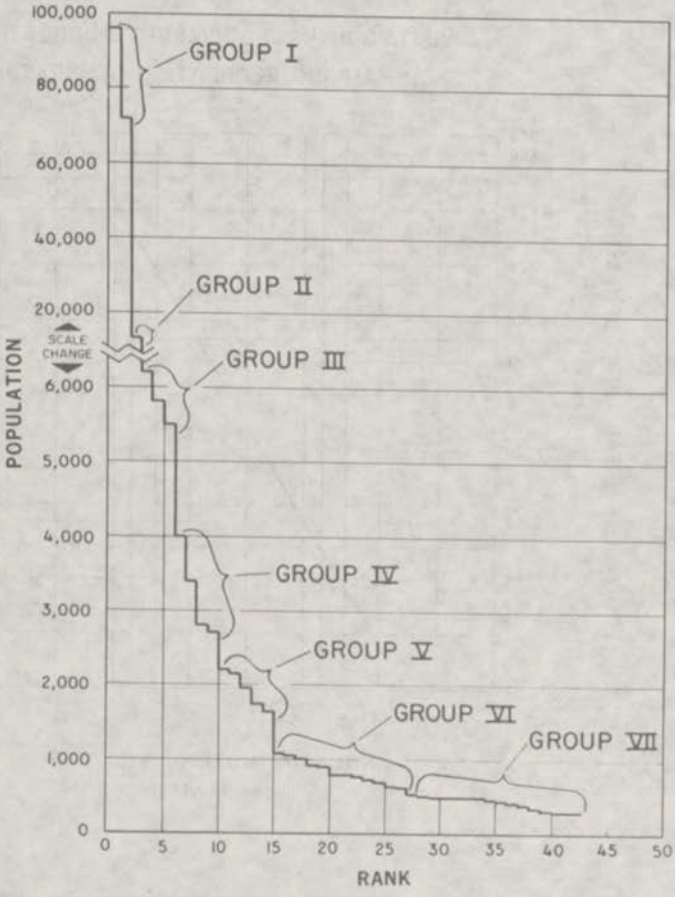


FIGURE III- 2

GRAPHIC RANKING AND GROUPING
OF TRAVEL GENERATORS
(FOR A TYPICAL STATE)



3. Identify pertinent travel generators in adjoining States. Judgment should be used in selecting the centers to be included. Larger out-of-State generators have traffic attraction relationships over a considerable distance while smaller out-of-State generators may be of influence only when close to the State boundary. Fit these selected out-of-State generators into the appropriate size group determined for the in-State generators in Step 2 above.

4. Develop a map symbol (for example, a simple open or lightly shaded circle) for each size group of travel generators, with the size of the map symbol indicating the population range of centers in the group. Plot the generators on a statewide map. A tracing overlay superimposed on the statewide road map is recommended. The few pertinent out-of-State generators which may fall outside the State map can be dealt with by plotting them on a regional map. Once the appropriate routings to the out-of-State generators have been selected, they can be shown on the statewide map by placing arrows at the State line.

5. Delineate urbanized area boundaries on the statewide map as accurately as practicable. (Subsequent accurate mileage determinations will probably require reference to large-scale maps, particularly when measuring mileages within urban limits.)

6. Delineate all presently designated routes of the Interstate highway system.

7. Select the remaining rural principal arterial routes and, following that, the rural minor arterial routes, in a general sequence that will "work down from the top" to reflect a gradation of the following route characteristics, considered in combination: (a) Size of travel generators connected; (b) predominant travel distances served; and (c) size of tributary area or "travel shed" served. The term "in sequence" does not mean an exact numerical ranking of routes since in many cases several routes may be deemed nearly equal in the above characteristics.

The size of the travel generators being connected has been visually symbolized on the map. The predominant travel distance and size of the tributary area or "travel shed" can be inferred visually from the size of centers served, their spacing and orientation, and the size and shape of traffic flow bands of traffic maps.

Judgment must be exercised in determining which, among all possible connections, should be made, especially when dealing with medium-sized and smaller centers. It will be helpful to keep in mind that this procedure is based on an indirect and inferential approach to the traffic attraction between centers. Therefore, the traffic flow map will help to indicate which, of all possible connections, is the most significant for the level or size of center being considered. When medium and small-sized centers are under consideration, a connection with the nearest

larger center is usually more significant than a connection with a center of equal size. Where alternatives are equal in terms of mileage, the most heavily traveled and the better improved route should normally be selected.

The termini for the routes being added to each system should be selected so that a continuous system is always maintained (i.e., each route is connected to routes of the same or higher level system).

8. Determine the total length of the rural principal arterial system in accordance with the system characteristics and the guide on system mileage extent in section II, page II-11.

9. Determine the lower size limit of population centers to be served as a group by the minor arterial system. In the criteria for this system, the diminishing returns concept is mentioned. This means that in adding routes to a system, a point is reached at which the rate of increase in mileage begins to exceed markedly the rate of increase of highway service, indicating that the lower limit of the system under consideration has been determined. Figure III-3, on which cumulative system mileage has been plotted against cumulative service as measured by vehicle-miles of travel, is an illustration of this concept.

The concept illustrated in Figure III-3 can be applied during the classification process by visual evaluation of the system map in conjunction with basic data on traffic flow and population. The following considerations, used in conjunction, should apply. First, as indicated in section II, page II-11, a combined mileage of rural principal arterial and minor arterial classes of between 7 and 10 percent of total rural mileage is the normal maximum extent. Considering this as the limit being approached, then: (1) Would adding routes to serve a next group of smaller generators result in adding a considerable mileage of routes carrying, as a group, substantially less traffic than routes already added? (2) Is the radius of traffic attraction of this next group of smaller generators, as implied by their size, their distance from larger generators, or by traffic flow data, substantially less than that of places already served? If the answer to either question is yes, then a logical lower limit of the minor arterial system has been reached, as far as service to travel generators is concerned.

10. Add such other routes to the minor arterial system as are required by the defined system characteristics. Such routes will include:

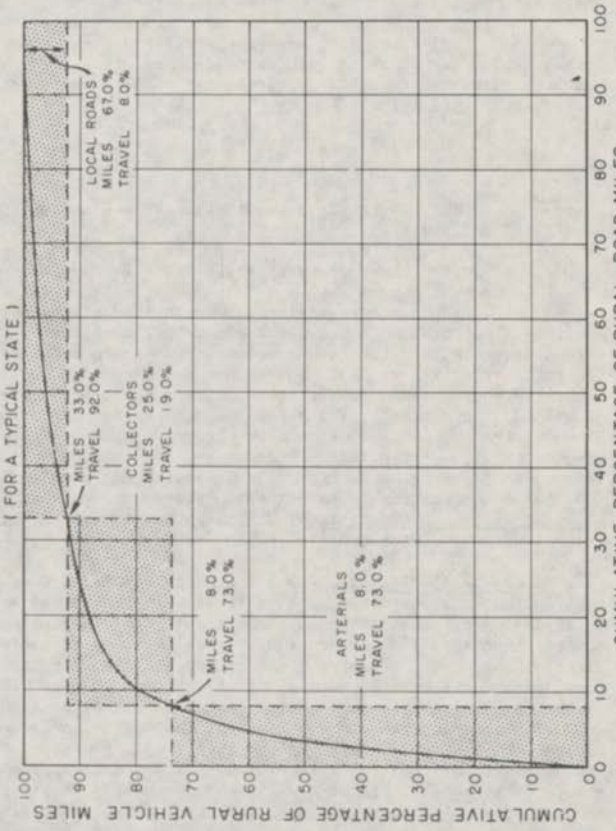
(a) Service to corridor movements with trip lengths and volumes equivalent to those of routes already added, as determined from traffic flow maps.

(b) Service to all areas of the State, with spacing of routes at reasonably consistent intervals, as tempered by consideration of population density.

FIGURE III-3

PLOT OF CUMULATIVE ROAD MILEAGE VERSUS CUMULATIVE VEHICLE MILES SERVED

(FOR A TYPICAL STATE)



(c) Such additions as are clearly needed for adequate statewide continuity (but only where significant travel patterns serve to justify them).

11. Inclusion in the system of additional alternative routes is a problem that will occasionally arise. In most cases a single connection between two centers is all that is needed. Some instances where alternative routes may have to be considered are:

(a) Where two apparently alternative routes are separated by geographic barriers and each is needed for minor arterial service to some qualified intermediate center or for connection to another intersected minor arterial route.

(b) Where one major facility is a parkway from which commercial vehicles are excluded.

(c) Where the total traffic volume cannot practicably be handled by one facility.

(d) Where one facility is a toll road.

12. Those States having a computerized statewide traffic assignment network and a travel model may use trip service characteristics (average trip length and volume-trip length index) to evaluate the rural arterial systems. The recommended approach is discussed in Highway Planning Technical Report Numbers 3 and 6 which are Appendices 46 and 47, respectively of the Federal Highway Administration Highway Planning Program Manual. A computer program FUNCLASS for deriving and processing volume-trip length indexes is contained as part of the Urban Transportation Program Battery of the Federal Highway Administration. FUNCLASS documentation is contained in the document Urban Transportation Planning Program Documentation, U.S. Department of Transportation, Federal Highway Administration, pages 360-367.

"Future-Year" Classifications: Studies conducted over the years have indicated a large degree of stability in the routes and corridor locations of arterial systems. To a considerable extent, centers of the lower size range of places served by these systems (especially minor arterial) are not undergoing great or rapid change. Furthermore, considering mere growth, per se; if all centers were growing in proportion, without causing significant shifts in travel linkages, such growth would not affect the functional relationships in the road network. There will, however, be instances where smaller cities and towns, due to unique circumstances of location or activity, will be anticipated to undergo substantial growth. The same will apply, probably in greater degree, to other travel generators, especially recreation centers. These reapidly expanding generators will be of principal interest in reviewing the updated ranking of generators.

Generators other than population centers should be involved in the ranking of generators. Both in regard to population projections and in projecting these other generators, statewide and regional development agencies should be contacted to obtain information on development trends, available socio-economic forecasts, and statewide and regional development plans.

Visitation forecasts for important recreation centers should be obtained, or made if not available. Projections of visits should be reviewed to assure that individual forecasts are realistic in terms of use potential and that projected statewide totals reflect a growth rate consistent with overall travel growth. Figure III-1 page III-6 may be used to obtain equivalent population to use in the ranking process.

Rural collector system

The step-by-step procedure just described for laying out the rural principal arterial and minor arterial systems can be extended in a qualitative sense, to the development of the rural collector system. However, precise quantitative data as to size of traffic generators and amount of traffic movement are usually not available to the same degree at the collector level. Also, population density and distribution and basic road patterns vary widely at this level. Accordingly, the procedure as described here is somewhat more generalized than that described for the higher systems. In any case, it should be borne in mind that what is being laid out is the backbone network of traffic circulation at the county or local level.

Before selecting any routes for the rural collector system a preliminary visual and mental assessment of the entire local picture should be made, considering the following:

1. Location or population centers (including county seats) not already served by the higher systems.

2. Location of important local traffic generators other than population centers: consolidated schools, shipping points, county parks, etc. Aerial phtotographs, where available, should prove helpful in locating these local traffic generators.

3. Location of any heavier-than-average corridor movements within the county, from traffic flow data.

4. Location of existing freeway interchanges or important river crossings that may be key location controls with regard to the collector system.

5. Rural population and land-use distribution within the county as regards uniform or nonuniform density of development.

Selection of major collector routes.--In many instances, selection of a few major collector routes can be made and shown on the statewide map which has been used to delineate the arterial systems. This is a practical matter of working with whatever map offers the most convenient scale. Completion of the collector classification, however, should be done on maps of county scale, preferably those of the county highway planning series. A mosaic of maps of the county being classified and the bordering counties will be helpful in determining the function of routes crossing the county line. The designated principal arterial and minor arterial systems and any collector routes already designated on the statewide map should be transferred to the county map before any additional routes are selected. The major collector routes should then be selected to accomplish the following:

1. Connect the county seats and the larger population centers not served by the higher systems with such systems and/or directly with nearby larger population centers served by those higher systems.

2. Link the more important local traffic generators with nearby population centers or with this or a higher system.

3. Serve corridor movements with traffic volumes and trip lengths comparable to those of major collector routes already selected.

Selection of minor collector routes.--The routes selected up to this point serve to connect population centers and other traffic generators of like magnitude. However, there will be many areas with clustered residents at considerable distance from the previously selected systems. Within reasonable economic limits, minor collector or "spacer" routes should be designated to serve these areas, interconnect the small communities, and link the locally important traffic generators with their rural hinterland.

These "spacer" routes should be selected so as to provide approximately equal distance between arterial or collector routes for equal rural population densities so that equitable service is provided to all rural areas of the State. The approximate population density within each area bounded by major collector or arterial routes can be determined, either from census data or by an approximate house count from the county highway map, and the existing spacing of routes already selected can be measured. Areas with poor service can then be identified by comparing those data with a table of desirable collector spacing (miles between routes) versus population density (people per square mile) and additional routes selected and added to the collector system where necessary.

Future year classification.--In most counties there should be a substantial degree of stability over time in the extent and location of rural collector routes. There will, of course, be changes brought about

by (a) changed urban-in-fact boundaries, (b) reclassification of arterials superseded by relocations; even in counties where the rural environment remains little changed, and, (c) reclassification of roads presently functioning as collectors to local classification due to the normal diversion and increased channelization of traffic on to one facility following a highway improvement.

Probable changes in land use which would significantly affect the classification plan should be forecast wherever possible. Such changes are most predictable where substantial recreation developments are being planned or where other changes in basic economic activity can be firmly projected, including some assurance as to probable activity sites. Plans and forecasts of State and local agencies should be sought out where available. It is not suggested here, however, that all local plans be uncritically accepted. They should be compared with overall State forecasts for reasonableness.

Local rural roads

The remaining rural mileage not otherwise classified as principal arterial, minor arterial, or collector should be assigned to the rural local road system.

For future year classifications there will generally be a reduction in rural local mileage brought about by changed urban boundaries. There may be some growth of rural local mileage, particularly for projected recreation, industrial and rural residential developments.

III-15

CLASSIFICATION PROCEDURES FOR SMALL URBAN AREAS

This subsection includes the procedures for developing functionally classified street and highway systems in small urban areas. The systems so developed should be consistent with the system characteristics discussed in section II.

1. Determine and map the urban area boundary

The boundary delimiting the area that is urban-in-fact, should be plotted on an existing map of the small urban area. Existing land-use maps or recent aerial photographs may be used to help in locating this boundary. Where neither of these are available, the division line between urban and rural development can be determined through aerial or ground reconnaissance; or officials of the town under study may help to locate this line from their knowledge of local development.

2. Prepare road network map

The street and highway network should be updated on the map used in selecting the urban boundary by adding any facilities open to traffic that are not shown on the original map. New routes can be sketched on the map in their approximate location.

3. Identify and map land service characteristics

Major traffic generators, land use patterns, and the points at which rural arterial and collector routes intercept the urban boundary should be identified and shown on the map of the area. Recent aerial photographs should prove very useful in identifying the major traffic generators and land use patterns.

4. Classify the highway and street network

Classify the highway and street network in accordance with the system characteristics discussed in section II, and in relation to the land service characteristics described above. In accordance with logical system continuity considerations, select first the principal arterial system, followed by minor arterials, and finally collectors.

As a first step in this process, the Interstate System should be identified on the map. Next, any sections of other freeways or expressways should be delineated. Additional routes should then be selected to provide continuity through the urban area for the routes already identified and for all other rural principal and minor arterials intercepting the urban boundary. In urban areas under 25,000 population, the principal arterial system will probably consist wholly of routes such as the ones selected above. In those small urban areas over 25,000 population, however, there may exist urban activity centers

of regional importance. Where these centers do exist, routes should be added to the principal arterial system so that adequate service is provided.

Next, minor arterial streets should be designated to serve the remaining urban activity centers and to provide adequate areawide circulation. The reasonableness of route spacing should be considered, using the guidelines shown below.

Finally, the collector streets should be selected, based on the systems characteristics discussed in section II, and delineated on the map of the urban area. Remaining streets, of course, will form the local street system.

Table III-1--Arterial spacing guidelines

Area type	Arterial spacing
Central business district.....	1/8 - 1/2 mile
Urban (central city except CBD)	1/2 - 1 mile
Suburban.....	1 - 2 miles

"Future Year" Classifications.--A functional classification for "future year" system plans in small urban areas can be developed as follows:

a. Develop, in general concept, the pattern of future land uses in presently undeveloped areas within and around the city. Assumptions must be made (realistically) regarding major new commercial, industrial, institutional, and recreational developments as well as residential development.1/ In the absence of a "future year" land use plan, guidance must come from the pattern of land use in the present urban area (particularly from recent growth, if any), from local knowledge of any development proposals, from the pattern of existing road network, from the effect of other transportation facilities, and from an examination of the terrain conditions in the area.

1/ Local land use planning maps, zoning maps, Department of Housing and Urban Development section 701 study maps or any other readily available information should be used.

b. Considering the above and the urban boundary criteria discussed on page II-7, delimit the "future year" urban area boundary.

c. Using the latest available functional classification as a base, delineate the principal arterial and minor arterial street networks within the future year urban area boundary. Included in these networks will be projected new facilities based on the land use plan or the assumption developed in (a) above.

d. Evaluate (for reasonableness) the extent of the projected mileage of new facilities developed in (c). Miles of arterials per square mile of area should be comparable to the rate in areas presently developed to a similar land use intensity. This miles-per-square-mile rate for facilities in the area of future urbanization should logically not be higher than the corresponding rate for the present urban area, since the latter includes the densely developed areas of the city.

e. Projecting proposed locations for future collector and local streets in presently undeveloped areas may, in many cases, be impracticable. However, statistical estimates of future collector and local street mileage may be desired, particularly as a basic for projecting maintenance requirements. Statistical indices, such as a street-miles-per-square-mile rate, may be developed, based on existing developments at dwelling unit or population densities similar to that projected for the new area.

f. Evaluate the adequacy of the overall classification plan to serve anticipated future year travel. The following questions, among others, should be considered: Does the pattern of principal arterials (if any) plus minor arterial streets provide adequate continuity for citywide movement? Can anticipated future year capacity requirements be met within developable rights-of-way of the designated network or should additional arterials (one-way couplets, for example) be designated? Would such added arterials, in regard to their impact on the immediate environment, be representative of realistic proposals that might be implemented to satisfy local demand? Has the distinction between arterial and collector streets been properly and consistently defined?

g. Develop the further subclassifications within the principal arterial street classes required to provide connecting links for the rural principal arterial and minor arterial systems as described on page II-15.

Information Supplied in Response to a Request From Senator Randolph

USE OF AUTHORITY AND PURCHASER CREDIT

[Dollar amounts in thousands]

	Fiscal year—				
	1972	1973	1974	1975	1976
1. Federal Aid Highway Act, unfunded contract authority available (available 1 year preceding fiscal year for which authorized and 2 years after close of fiscal year for which authorized, 23 U.S.C. 203)	$170,000	$140,000	$140,000	$140,000	----------
2. Cash appropriated to liquidate contract authority	148,740	158,840	97,700	124,578	[1] $108,225
3. Cash available pursuant to 16 USC 501 (based on receipts in NF's fund in the preceding fiscal year)	22,662	33,871	45,469	47,003	[1] 47,975
4. Total cash available (2 plus 3)	171,402	192,711	143,169	171,581	[1] 156,200
5. FS budget requests, cash	138,740	158,840	94,700	124,714	108,225
6. Cash appropriated (same as item above)	148,740	158,840	97,700	124,578	[1] 108,225
7. FS budget requests, program level:					
Federal Aid Highway Act	140,803	135,283	70,900	106,447	110,563
10 percent fund (16 U.S.C. 501)	[1] 32,760	[1] 34,280	[1] 40,900	[1] 40,500	[1] 47,975
Total	173,563	169,563	111,800	146,947	158,538
8. Approved program level, Federal Aid Highway Act	148,101	122,627	84,746	112,103	[1] 110,563
9. Total program level obligated:					
Federal Aid Highway Act	152,272	123,621	85,586	[1] 112,103	[1] 110,563
10 percent fund (16 U.S.C. 501)	22,662	33,871	45,469	47,003	[1] 47,975
Total	174,934	157,492	131,055	[1] 159,106	[1] 158,538
10. Difference between program level obligated and actual authorization available (9-1-3)	232,052	279,383	310,000	[1] 276,286	[1] 280,000
11. Program level obligated for maintenance of roads and trails:					
Timber roads	18,150	20,900	19,250	18,700	[1] 20,350
Other roads and trails	20,970	23,904	21,385	21,370	22,994
All roads and trails	38,120	44,804	40,635	[1] 40,700	[1] 43,344
12. Program level obligated for timber roads from appropriated fund.					
Design and supervision:					
Timber roads	19,776	13,003	11,000	0	0
Actual construction:					
Road bridges	7,819	3,638	4,967	[1] 5,654	[1] 5,267
Timber roads	37,838	30,133	8,286	0	0
13. Program level obligated for other roads and trails from appropriated funds:					
Design and supervision	6,779	6,957	6,517	[1] 4,599	[1] 2,800
Actual construction	20,307	10,690	3,000	[1] 10,000	[1] 3,000
14. Timber purchaser road construction and reconstruction (timber credits)	101,178	128,453	130,598	[1] 161,216	183,000
15. Timber purchasers supplemental from appropriated funds:					
Design and supervision	38,657	41,857	53,187	[1] 94,249	[1] 98,577
Construction and materials	5,638	6,410	3,463	[1] 4,534	[1] 15,550
16. All construction items (not including work done by timber purchasers)	136,814	112,688	90,420	[1] 119,036	[1] 115,194

[1] Estimated.

ROAD CONSTRUCTION AND RECONSTRUCTION

State	Appropriated funds			Timber purchaser funds		
	Miles	Cost	Cost per mile	Miles	Cost	Cost per mile
Alabama				16	100,700	6,400
Alaska	2	858,000	429,000	130	6,968,000	53,600
Arizona	5	508,100	113,000	117	1,760,800	15,000
Arkansas				133	1,551,000	11,700
California	15	2,381,000	159,000	1,579	34,665,400	22,000
Colorado				99	1,303,000	13,200
Florida				29	158,500	5,500
Georgia	1	22,700	25,000	33	237,100	7,200
Idaho	3	326,000	112,400	414	6,190,800	14,900
Illinois				4	9,000	2,200
Indiana						
Kansas						
Kentucky				2	2,800	1,300
Louisiana				102	1,255,800	12,400
Maine						
Michigan				51	185,000	3,600
Minnesota				18	80,000	4,400
Mississippi				117	704,000	6,000
Missouri				5	11,000	2,200
Montana				682	7,201,300	10,600
Nebraska						
Nevada						
New Hampshire				8	220,000	27,500
New Mexico				71	2,609,800	36,700
New York						
North Carolina				54	135,700	2,500
North Dakota						
Ohio						
Oklahoma				20	178,600	9,000
Oregon	5	1,200,700	261,000	2,536	48,350,500	19,100
Pennsylvania				27	227,000	8,400
Puerto Rico						
South Carolina	4	55,600	15,000	60	830,400	13,700
South Dakota				34	382,000	11,200
Tennessee				39	92,600	2,400
Texas				39	749,700	19,000
Utah		27,000	270,000	9	38,000	4,200
Vermont				3	54,000	18,000
Virginia	1	7,000	7,000	12	63,400	5,300
Washington		4,800	24,000	708	13,843,200	19,500
West Virginia						
Wisconsin				7	57,000	8,100
Wyoming				43	373,000	8,700
WO						
Total	36	5,411,600	150,300	7,201	130,589,100	[1] 18,134.1

[1] Average.

Note: 1. Bridges and trails, no State information in WO. 2. Congressional add-on roads, no miles information in WO (22 States), 3. Fiscal year 1974 data available in WO (33 States).

STATES WITH CONSTRUCTION VALUE OVER $1,000,000 IN FISCAL YEAR 1974

State	Fiscal year 1974—Timber purchaser roads										
	Road construction (cost per mile)			Percent of road construction and reconstruction by—		Number of purchaser construction and reconstruction projects initiated	New access, percent of projects initiated	Number of timber sales advertised	Advertised deficit sales		Advertised nondeficit sales	
	Average	Range, new access		Purchaser-(own forces)	Subcontractor				Volume (M bft)	Road (miles)	Volume (M bft)	Road (miles)
		Low	High									
Oregon	19	8	190	40	60	1,159	53	456	6,000	7	2,169,000	2,437
California	22	12	115	10	90	300	30	255	0	0	1,492,000	1,195
Washington	20	7	190	40	60	307	48	214	20,000	38	1,020,000	679
Montana	11	5	23	30	70	256	36	195	0	0	467,000	895
Alaska	54	135	77	40	60	475	94	9	17,750	12	481,150	173
Idaho	14	1	29	10	90	284	39	1,586	31,867	28	259,182	285
New Mexico	36	2	35	20	80	33	37				107,300	101
Arizona	15	8	10	20	80	55	7				231,200	100
Arkansas	11	6	16	5	95	106	75	92	0	0	164,000	149
Colorado	14	12	50	40	60	36	30	22	3,835	3	49,062	61
Louisiana	13	6	17	5	95	71	41	38	0	0	157,000	101

MILES OF EXISTING ROADS (ROUNDED TO THE NEAREST 10)

State	Timber related	Multi-purpose	Total miles	Miles of planned roads	Estimated total system
Alabama	780	170	950	1,200	2,150
Alaska	530	200	730	2,400	3,130
Arizona	3,060	8,740	11,800	1,800	13,600
Arkansas	2,000	930	2,930	4,300	7,230
California	19,770	19,070	38,840	34,500	37,340
Colorado	3,360	10,980	14,340	3,000	17,340
Florida	1,080	200	1,280	1,600	2,880
Georgia	860	380	1,240	400	1,640
Idaho	10,470	8,590	19,060	8,900	27,960
Illinois	290	170	460	1,600	2,060
Indiana	410	700	1,110	900	2,010
Kansas	----------	70	70	----------	70
Kentucky	950	430	1,380	1,500	2,880
Louisiana	970	100	1,070	400	1,470
Maine	40	30	70	40	110
Michigan	4,000	40	4,040	1,900	5,940
Minnesota	2,930	80	3,010	2,300	5,310
Mississippi	1,110	320	1,430	1,900	3,330
Missouri	870	330	1,200	3,800	5,000
Montana	13,190	1,540	14,730	9,600	24,330
Nebraska	10	460	470	100	570
Nevada	30	3,170	3,200	1,500	4,700
New Hampshire	180	150	330	200	530
New Mexico	1,930	6,950	8,880	1,600	10,480
New York	----------	20	29	----------	20
North Carolina	700	280	980	1,800	2,780
North Dakota	----------	300	300	40	340
Ohio	60	60	120	400	520
Oklahoma	190	90	280	----------	280
Oregon	26,050	7,690	33,740	21,600	55,340
Pennsylvania	660	130	790	200	990
Puerto Rico	10	20	30	----------	30
South Carolina	1,000	150	1,150	600	1,750
South Dakota	970	1,780	2,750	500	3,250
Tennessee	520	200	720	1,800	2,520
Texas	540	170	710	1,800	2,510
Utah	1,430	6,240	7,670	3,400	11,070
Vermont	160	30	190	100	290
Virginia	870	370	1,240	3,900	5,140
Washington	9,270	4,280	13,550	12,400	25,950
West Virginia	500	320	820	600	1,420
Wisconsin	1,760	560	2,320	500	2,820
Wyoming	1,250	4,950	6,200	700	6,900
Total	114,760	91,440	206,200	135,780	341,980

FOREST ROAD CONSTRUCTION PROJECT FUNDING

[In Thousands of dollars]

	1972	1973	1974	1975	1976
Appropriated funds applied to road construction projects:					
Road bridges	7,819	3,638	4,967	[1] 5,654	[1] 5,267
Timber roads	37,838	30,133	8,286	0	0
Other roads and trails	20,307	10,690	3,000	[1] 10,000	3,000
Construction and materials	5,638	6,410	3,463	[1] 4,534	[1] 5,550
Timber purchaser road construction and reconstruction (timber credits)	101,178	128,453	130,589	161,216	183,000

[1] Estimated.

Senator McCLURE. Are there witnesses who because of time constraints are going to find it difficult to follow the order of appearance?

The next that I have is a panel of Mr. Hagenstein, Mr. Bennett, Mr. Gaskins, and Mr. Witter.

Mr. HAGENSTEIN. Mr. Chairman, we would like to request your permission to bring six men up here at one time and conduct it as one panel. We can save you some time by doing so.

Senator McCLURE. Very well.

STATEMENTS OF WILLIAM D. HAGENSTEIN, EXECUTIVE VICE PRESIDENT, INDUSTRIAL FORESTRY ASSOCIATION, PORTLAND, OREG.; RICHARD G. BENNETT, EXECUTIVE VICE PRESIDENT, BENNETT LUMBER PRODUCTS, INC., PRINCETON, IDAHO; WAYNE GASKINS, FORESTER, WESTERN FOREST INDUSTRIES ASSOCIATION, PORTLAND, OREG.; GEORGE A. CRAIG, EXECUTIVE VICE PRESIDENT, WESTERN TIMBER ASSOCIATION, SAN FRANCISCO, CALIF.; JAMES R. CRAINE, FORESTER, EDWARD HINES LUMBER CO., LARAMIE, WYO.; AND JAMES WHITE, MANAGER, DELTIC FARM & TIMBER CO., INC., EL DORADO, ARK.

Mr. HAGENSTEIN. My name is W. D. Hagenstein, the executive vice president of the Industrial Forestry Association of Portland, Oreg.

I have been asked by my colleagues to serve as the chairman of our panel. Mr. Chairman, I would like to introduce each of them to you, and then each of us is going to briefly comment and highlight the things that we think are most important from our own background and experience to contribute to your hearings. We invite you to ask us any questions.

Senator MCCLURE. Very fine. Whatever prepared statements you have will be made a part of the record in full.

Mr. HAGENSTEIN. Thank you very much.

I would like to introduce your constituent, Mr. Richard Bennett, the executive vice president of Bennett Lumber Products, Inc., of Princeton, Idaho.

On my left is Mr. George A. Craig, and on Mr. Craig's left is Mr. James R. Craine. On Mr. Bennett's right is Mr. Gaskins, and the gentleman on the far right is Mr. James M. White, vice president of the Deltic Farm & Timber Co., of El Dorado, Ark.

Mr. Chairman, I was glad to hear you call the sessions oversight hearings. None of the publicity I saw termed them that. I think it is high time under Public Law 88–657, which this committee reported out in 1964, that such hearings be held to determine if the law is being properly administered and find out if there is something needed to modify it or improve it.

Senator MCCLURE. I want that term "oversight" to be under the proper connotation. We are taking a look at what we are doing, not what has been overlooked.

Mr. HAGENSTEIN. Very good, sir. Thank you.

Obviously from the constructive discussions you had with our colleagues from the forestry profession in the Forest Service this morning, it is very apparent that this committee recognizes what a significant thing it is that the National Forest Transportation System be completed at as early a date as possible. I personally have been appearing before this committee for almost a quarter of a century in support of increasing both the authorizations and the perfection of some of the authorizing legislation for the construction of the road system. And I know that this committee—without this committee, the status of the system, the transportation system in the national forests today would not be at the relatively high level it is, though inadequate as it still is.

For example, in 1952, my first appearance before your committee, Mr. Chairman, the authorization, the annual authorization for forest

development roads and trails was $12.5 million a year. $12.5 million for 180 million acre system of lands. Ridiculous. Well, your committee concluded it was ridiculous.

Over the years, up until about 8 years ago, it continuously raised it up to a level of $170 million per year. Now, in the last 3 years, it has been reduced to $150 million because the Congress decided, with the appropriations not being made, it was no use in having the hunting license at a higher level than the Congress is willing to fund, or the administration is willing to ask for, in a budget request.

Senator McCLURE. My predecessor in this seat, Senator Jordan, was instrumental in getting that figure increased to $170 million. It resulted in increased appropriations. But you are correct, it was never matched.

Mr. HAGENSTEIN. I would like to read three points from my prepared testimony. I have a lot of material in my written statement which you have already included in the record, Mr. Chairman.

The most important reason for the people of the United States to extend the road system of the national forests to those areas classified as commercial forest land which is some 90 million acres, and have it done promptly, is to overcome this tremendous problem of the Forest Service and everyone as shareholders of this great property is the mortality of more than 6 billion board feet per year. Mortality consists of trees that die of old age, insects, disease, wind, and fire.

Back in 1969, at the time the Banking and Currency Committee of the Senate was holding hearings on why the lumber and plywood prices had risen so sharply in response to a record housing year, I was the first to testify publicly at that time that there was a 10 billion foot annual mortality on the national forests estimated by the Forest Service. When the Chairman of the Committee asked me what was needed to salvage it, I responded with one word, "access". When the timber is killed and dying and can't be reached, society is going to lose it all.

The Chief of the Forest Service testified, as I did, in the same hearing that if the transportation system were in, half of that tremendous mortality could be salvaged for use.

Even if you reduce the mortality from the 10 billion board feet of some years ago to the 6 billion now, if the road system were complete and you could only salvage half of it, it is enough to build 300,000 homes a year. It is really a national disgrace that we allow this to continue. The blood is on the hands of the executive branch and the Congress in not seeing that the transportation systems have been completed.

They should be completed in my opinion in no longer than one decade. That ought to be the target date Congress should set as the date for the completion of the system.

Second, it was your committee that gave us Public Law 88–657 in 1964. This is the National Forest Road and Trail Systems Act, and its objectives are very pertinent to the discussion here today.

I would just like to read from my statement just a couple of sentences:

> This Act not only clearly expressed the finding of the Congress that an adequate system of roads within and near the National Forests is essential for meeting increased demands for timber, but that such system will increase the value of

timber as well as enable the Secretary of Agriculture to provide for intensive use, protection, development and management of the National Forests under principles of multiple use and sustained yield.

As part of my prepared testimony, I included a letter written to Mr. Craine under date of May 10, 1974, from the Forest Service, signed by Russell McRorey, Associate Deputy Chief, which gives a very good outline of the record of what has been accomplished under this 1964 act and some of the problems that are still with us in connection with it. I would commend that you very carefully read it, because the Forest Service has done an outstanding job in setting forth what the history and the importance of this act is.

One of the important things of this act is that it precluded the duplication of road systems. In many areas in the Western United States, you have intermingled land ownership patterns. Many people in the East are not aware that some of the national forests, within their boundaries, only 40 or 50 percent of the land is Government owned. The balance of it, due to various land grants made to the railroads and because of other laws, the Homestead Act, etc., that encouraged people to settle the Western States, the lands passed into private ownership. It would be a crime to have each owner in intermingled land ownership patterns build independent road systems. It would be a waste for the Government and for the private owner.

Now, the Public Law 88–657 authorized cost sharing between the owners on the basis as their interests appeared. So that if, for example, the Government owned 40 percent of the timber in an area, it would contribute 40 percent to the cost of the road. The intermingled ownership, it might include the State government—in your State of Idaho many State lands are included within the national forests—the intermingled owners pick up 60 percent of the cost.

Due to the inadequate appropriation of the last several years, the Forest Service is falling way behind in its share of construction. This is resulting in a very significant increase in the excess credits due the private owners involved. In times of tight money, high interest rates that we have been experiencing, until very recently, this is an out-of-pocket cost that could amount to a lot of money, and it is welshing on the agreement the Government has to do its share in time.

It is also adverse to those operators that are dependent upon extension of such road systems for the subsequent National Forest timber sales are not put up because the roads are not built when they were scheduled to be built. This creates an artificial shortage of timber within some local areas, and consequently the law of supply and demand results in some of the rather wild bidding that occurs because of the restricted supplies.

I would like to make just two more points.

One is that the roads really are not an expense, Mr. Chairman. They are really an investment in future jobs and homes and county receipts, as well as the furnishing of all the commodities and all the services that these great public lands, our national forests, can provide. But it takes accessibility to do it.

One thing I am dismayed about is that the industry supported very strongly before your committee a few weeks ago your bill, S. 3646, which would authorize the transfer of purchaser credit, which you were talking about earlier this morning, between timber sales on the

same national forest. We think this bill is a good one and it would ease the working capital requirements of operators of all sizes and would be mutually beneficial to the Forest Service and the counties.

May I reiterate a target date ought to be set for completing the National Forest Transportation System. The year 1985 is as long as the economy of the country can stand. If we don't do it, we are going to continue to lose far more timber than we should lose because of the natural losses that occur in these stands of timber, many of which were ripe for cutting before white man set foot in the Western half of the United States, with the exception, perhaps, of the Spanish in California.

I would like to call on our next witness, Mr. Richard Bennett.

Senator McCLURE. Good morning, Mr. Bennett.

STATEMENT OF RICHARD G. BENNETT, EXECUTIVE VICE PRESIDENT, BENNETT LUMBER PRODUCTS

Mr. BENNETT. Good morning, Senator.

For the sake of time I have submitted a prepared statement.

I have a few things to say. My name is Richard C. Bennett, executive vice president of Bennett Lumber Products, Inc., Princeton, Idaho.

The last few years region 1 has been selling only approximately half of its allowable cut. The main reason for this is because of the lack of an adequate access road system. Many areas simply do not have a transportation system that allows access to the land for practical management. Other areas have a transportation system we have been using, but now the Forest Service road standards have been raised to the point where these roads cannot be used for the next sale until they have been reconstructed, such as slopes, elaborate drainage systems, a foot of crushed rock, two or three coats of oil, and recently even asphalt paving on some roads.

In our area most of these roads are gated and locked, admitting no traffic after the timber is removed. There are presently two methods being used to construct roads. One is appropriated funds and the other is purchaser road credits. Because of the lack of appropriated funds, roads in region 1, the only roads being built, are purchaser credit. This means we are locked out of a good share of the National Forest, because most of the new roads needed are too expensive to be built using purchaser credits.

If we are to build these access roads into many areas of insect infested, stagnated dying timber stands, the sale would have to be so large as to overcut the front part of the drainage, or the sale would be such a huge deficit that nobody could buy it. A deficit sale is one in which the road costs, logging costs and other costs are more than the value of the finished products that are derived from the timber. In region 1 we are plagued with nothing but deficit sales. This means the purchaser, in order to try to keep his mill running and employees working, has to build at a huge risk on those deficit sales. Even at that, in region 1, we still cannot get an adequate road system to make at allowable cut available.

We have to have an ongoing funded access road program. Roads should be considered an investment, an investment in the future of the operation of the National Forest. A capital investment to be

amortized over a long period of time and many timber sales. It is impossible to make a single timber sale pay for the initial road system. By throwing the entire burden of construction of timber sale programs through purchase credits, we have many problems.

To name a couple, it takes 2 or 3 years to build roads after you buy the sale, which means it takes that length of time after you buy the sale before you can start removing the timber. We are building the roads at appraisals long out of date when we start building the roads which means we are subsidizing the cost of constructing roads.

Lastly, the counties are suffering. The loss of revenues because of the timber receipts which are being used to finance the roads. Seventy percent less Federal timber moneys were received by some counties, and the sales purchased in this area this year will return practically nothing to the counties. In north Idaho and Montana the Federal timber program is vital to the survival of the lumber industry.

I welcome your questions on any of my statements.

STATEMENT OF GEORGE A. CRAIG, EXECUTIVE VICE PRESIDENT, WESTERN TIMBER ASSOCIATION

Senator McCLURE. Are any of you under a severe time restraint? We have a live quorum going on right now. If we could recess for about 10 minutes while I go over and answer and then return, I will find that accommodates me.

Mr. HAGENSTEIN. None of our members are required to leave until 2 hours from now.

Senator McCLURE. We will recess subject to the call of the Chair.

[Recess.]

Senator McCLURE. Who would be next.

Mr. HAGENSTEIN. George Craig.

Mr. CRAIG. Mr. Chairman, our association represents about 90 percent of the timber processed from the National Forests in California. California is the second largest purchaser of timber from the National Forests. So we have a substantial interest in this matter and our interests coincide with those that have been expressed or will be expressed by others on the panel.

I am going to confine my comments largely to two particular areas. However, most of these matters are interrelated.

The two areas of primary concern to us are the violations of Public Law 88–657 and the excessive requirement for surfacing of roads in connection with timber sales contracts.

The enactment of Public Law 88–657 came after hearings in 1963, in which a number of us testified and expressed our concern at that time that there might be abuses under the law in connection with the requirements under timber sales contracts. As a consequence of the Committee hearings, there was an amendment to the law, particularly Section 4, a proviso that addressed this concern. And the House Committee Report stated this about it:

> The amendment to Section 4 adopted by the Senate and included in the reported bill, makes it clear that purchasers of National Forest timber and other forest products, will not be required to pay out of their own funds more than the costs of the standards of road needed in the harvesting and removal of the timber and other products covered by the particular sale.

It went on to say:

> The amendment adopted by the Senate also makes it clear that such requirements will not have the effect of reducing the 25 percent of the National Forest receipts paid annually to the States to be expended for roads and schools.

We feel that our concerns have been justified and that there have been abuses and they are continuing. And a prime area of this abuse has to do with the requirements for timber purchasers to surface roads in many instances.

We do not question that surfacing is appropriate in some circumstances, or that the Forest Service roads should not be surfaced. But there have been many instances where the requirements for surfacing go beyond the intent of the law as shown in the legislative history.

In my prepared testimony I outline some of these cost changes over the years. For road construction as a whole in California, including reconstruction, the road costs per thousand board feet have gone up from $4.41 in 1964 to over $18 a thousand board feet in 1974, according to Forest Service data. Of course, a portion of this is due to inflation, but even when we look at the Engineering News Record Cost Index, the increase from 1964 to 1974 approximated 100 percent. It went from, using 1964 as a base, from 100 to 207. Using the Forest Service road requirements on purchases as a base in 1964 in California, it went from 100 to 409 percent.

It is somewhat ironical because we would expect with increasing reconstruction, that the cost would drop since certainly there has been investment in putting in the primary road. But road costs have not dropped per mile, they have gone up substantially. In 1970, in California, they were approximately $12,000 per mile. In 1974, the Forest Service data averages out at very close to $22,000 a mile, including reconstruction.

Now the Forest Service justifies some of these requirements through economic analysis and particularly in connection with surfacing, but we feel that often these analyses are faulty. They do not properly recognize the cost of money. Other justifications such as increasing the hauling period is faulty because often there are other controlling factors such as the amount of snowfall, which really limit movement of timber, and not whether or not the roads are wet.

We have included in the prepared statement a number of specific examples showing the cost involved in these, what we consider to be excessive, requirements. A part of the statement is a table which lists examples of California timber sales that were deficit when they were offered during this fiscal year, and the table also shows the great amount of road costs involved in a number of these sales. These are not sales that have helicopter logging as the prime cause of deficit. The major cause in most cases is the road systems. Some of them exceed $1 million. These are not the types of roads that are appropriate for timber purchasers to be called upon to build. As a matter of fact, in California timber purchasers largely contract the road building because the Government is not contracting it and because the requirements placed on the purchasers are so great as to specialized equipment, heavy amount of earth moving, that they must go out and get contractors to do it, and the fact that they have some logging equipment in the areas has no effect.

The economy, the hidden costs that you addressed, Senator, to the Government really comes in their failure to allow a margin for profit and risk on the road. The timber sales, without a road, have the same profit margin as those with a substantial road. And if the purchaser must, as two-thirds of them in California do, have to have a contractor to build the road, he must pay him a margin for profit and risk. And the consequences are that the road costs come out of the purchaser's pocket, he bears a cost in violation of the law.

There is one other portion of Public Law 88-657 which deserves attention and the legislative history as well. That is section 6. This deals with reconstruction and maintenance. In the hearing record before this committee in 1963, the Acting Secretary of Agriculture, Charles Murphy, discussed the intent of that section. He said:

> Also, if road reconstruction becomes necessary in order to continue present use by two or more users, the cost of such reconstruction should be shared by such users in proper proportion. This would be the result under the present language of Section 6.

That has not been the result. The Forest Service is putting all the load on the purchaser he can bear. We have gone to the Forest Service both in writing and orally and taken specific cases. On the Sierra National Forest, where about $270,000 was to be spent on surfacing 2.4 miles of road, a two-lane road on a flat ground, the Forest Service was to require the purchaser to bear two-thirds of the cost. The justification was on an axle loading analysis. We argued that this was contrary to the intent of the law, and it was improper. That this short-term timber sale should bear the cost of this road was improper. It had substantial recreational use. The Forest Service reduced it to 45 percent Government and 55 percent operators. We again continued our argument in vain, but did elicit from them an analysis which showed that under a cost-share agreement, if the timber purchaser had been a private party in the cost-share agreement, only 12.5 percent of that road cost would have been borne by the timber in that particular sale. So this is the type of review that we feel is long in need of attention by the Congress and others in order to bring about a reform.

Unfortunately, the timber purchasers are in dilemma. They cannot challenge this practice in the courts because if they were to do so, there would be a disruption of the timber sale program which they can't afford, and further there are not funds available for the Government to take its proper burden in road construction. We hope that perhaps under the Humphrey-Rarick Act Review, or under some other review, perhaps this committee's review, there may be a reassessment of this abuse of timber purchasers.

We respectfully ask that something be done, in any event, to stop this required subsidization of other uses of the National Forest by timber purchasers.

Thank you.

Senator McClure. Thank you, Mr. Craig.

Mr. Hagenstein. Our next panelist is Mr. James Craine.

STATEMENT OF JAMES R. CRAINE, FORESTER

Mr. Craine. Thank you. Mr. Chairman, we have talked quite a bit this morning, or you have, and other panelists, about deficit sales.

There are several reasons for deficit sales. One of the outstanding ones is this problem of road costs and engineering costs we have been addressing.

One of the primary ones we have been noticing in the Rocky Mountains has to do with unnecessary reconstruction of existing old roads. In many cases we have been asked to go into areas where old roads exist that have existed for many years, where millions of board feet of timber have come out over them safely without any resource damage, and yet, now, on a second or third or later entry we are being asked to raise these roads to a standard beyond that necessary, as we see it, for the removal of the timber. We fail to understand the reasonsing behind a great share of this. Volumes are slight on many of these sales. Road costs become excessive on a thousand board foot basis, and as a result, particularly in times like these, many of the sales don't sell. So we have an exercise in futility really on the part of the Forest Service in preparing and offering these sales.

We think perhaps road use management, the limiting of certain types of traffic to certain times during the week or year could have a great deal of effect on roads like this rather than this alternative of high cost of upgrading roads where they have questionable value, the upgrading.

A companion problem with this is the selection of road standards for new road construction. We are being asked now to construct roads to full standards and specifications, in many cases, including crushed rock. One shot roads that are going into timber sale areas a short way are essentially single use roads. They are going to be closed when we leave, when the sale is finished. Often, as I say, they include the rock, but they perform the function of little more than a spur road. They are what was referred to earlier this morning as a terminal facility, really.

Roads such as this are going to be put to bed and are not going to be used in the immediate future. They need merely to have protection built in them in the form of drainage. In many cases this can be done with water bars rather than sophisticated drainage systems.

Another problem has to do with the timing of the standards. Deficits could be reduced, the amounts of deficits could be reduced, if during poor market periods the Forest Service would concentrate on the areas that are easier of access and less expensive to get into. We have had timber sales where very difficult access areas were included in the hope, I believe, that the rest of the sale would carry them. If those areas were eliminated from the sales at this time, the purchaser-credit amounts would drop significantly and those areas could then go into another sale or stand on their own at other times when economic conditions were better.

In the Rocky Mountains it has been a relatively new thing that we have been asked to make road maintenance deposits for replacement of crushed rock surfaces. In some cases these deposits have nearly equaled the cost of hauling timber over that particular stretch of road.

One of the more significant things, also, in our area has to do with delays in engineering. The Forest Service really feels it must try to meet commitments on the timing of offerings of timber sales. It has been unable to get the engineering complete in time with the preparation of the timber. Therefore, we have seen sales advertised with

incomplete engineering. They complete the engineering in one of two ways: Either the purchaser is required to do it under the terms of the contract, or the Forest Service commits itself to doing it later on, and in doing this will put a schedule of completion in the contract. There are several problems that arise as a result of this.

When you buy a timber sale with incomplete engineering, you have bought the road blind. You don't know what construction quantities are and don't know what the job is going to be in the future. No road construction contractor has to do this. No contractor would do it. We wonder why we have to do this. There are other basic differences, too, between a timber purchaser and a road construction contractor. In cases where the Forest Service is going to complete the engineering itself and puts a schedule of completion in the contract, if it doesn't meet that schedule it has in effect breached the contract. Yet, in such cases we have been unable to get any monetary relief as a result.

Engineering that is completed after the sale is sold is applied to unit cost allowances that were in effect at the time the sale was sold. If there is any significant time difference between the time the sale is sold and the time the engineering is complete, you have built in an automatic loss to inflation. Some of those time periods have been up to a year.

Also, even though a sale might sell in the spring—there is quite an effort to get sales sold in the spring—if we don't get the engineering until mid or late summer, then we are into a period of time when most of the road construction contractors are already committed for the rest of the season and the only ones we have available are those that have been unable to be competitive during the early part of the season. We have a built-in disadvantage there.

Finally, on such sales, unless there are portions of the sale that can be hauled over existing roads, that don't require reconstruction from an operational standpoint, that purchaser doesn't have a sale at all. He cannot get in and build roads, he cannot get in and log, but he has money tied up in the form of a bid deposit and has contractual obligations, such as helping to suppress fires that might occur.

We feel the Forest Service could do the engineering ahead of time and they would reduce these problems. Lacking that, the second best alternative would be to get cost allowances up to date to the time of engineering.

This concludes my summary comments, Mr. Chairman. Thank you very much.

Senator McCLURE. Thank you.

Mr. HAGENSTEIN. Our next panelist is James M. White.

STATEMENT OF JAMES M. WHITE, GENERAL MANAGER, TIMBER DIVISION, DELTIC FARM & TIMBER CO. INC.

Mr. WHITE. I am here today representing the Region 8 Federal Timber Purchasers Committee. It is composed of representatives from both large and small businesses engaged in pine and hardwood lumber manufacturing, plywood manufacturing, pulp and paper manufacturing, and pressure treating. Also represented in this committee are members of the following associations: Southern Forest Products Association, Southeastern Lumber Manufacturers Association,

American Plywood Association, American Pulpwood Association, Appalachian Hardwood Manufacturers Association, and Southern Appalachian Multiple Use Council.

Road building requirements complicate the purchasing of timber. We recognize the pressing needs to construct roads on Forest Service lands, and even though the lands in the South are much more accessible than the Western lands, we favor a continuing program of constructing roads necessary to remove the timber in the harvesting process. Many purchasers in the South are small businesses and do not have the personnel and the equipment necessary to properly construct these roads. Construction costs have risen rapidly, as had been stated before, and the leadtime from sale date to construction completion has resulted in some cost overruns that are severe burdens to these businesses.

The Forest Service indicates the cost estimates for purchaser-constructed roads are sufficient to cover construction costs only at the time of purchase or the sale, and allow neither cost escalation or administrative costs necessary to complete these roads. Purchasers should not have to subsidize the Forest Service in the road construction program.

Another point, road credits are issued at the time of the official acceptance by the Forest Service of that road, and relief is needed, as has been stated before, for the purchaser to promptly retrieve funds expended on these roads. Transfer of earned purchaser credits from one timber sale to another, the sale being operated within the same forest at least by the same contractor, would offer some relief from this burden.

The chief's stated policy of the Forest Service indicates that roads will be constructed only to a standard necessary to remove the timber on the specific sales. Many roads are being constructed by purchasers designed to standards higher than needed for timber removal. Since many of those roads are being closed and barricaded as soon as they are completed because of the lack of maintenance funds, it becomes necessary to come back at a later date and actually expend more purchaser-road credits on reconstruction in lieu of a continuing maintenance program.

Many roads that have been used in the harvesting process in the past and over a period of a number of years are now being abandoned and new roads constructed along the same general routes and within the same general drain area. The reasons given for this reconstruction is that the old roads do not meet the standards, the new standards. The contention is that grade may be too great, or maybe environmental damage may be experienced.

We do have a responsibility to protect our resources in every way we possibly can, but, certainly, where rock is prevalent or stable soil conditions exist, new road construction may not contribute anything to the overall improvement of conditions conducive to minimal soil and water deterioration. Certainly, timber removed once over 10 or 20 years can be accomplished with little impact, we feel, and the old roads may serve the same purpose and requirements as the newly constructed roads.

Volumes of purchaser constructed roads increased steadily for the past few years, as much as 400 percent in the last 3 years in region 8.

Costs of construction have increased sharply due to inflationary factors and more elaborate specifications.

Sales realizations have been lower during the more recent recessionary period, and these factors have all combined to shrink the county 25 percent turn-back funds, in those counties that depend heavily on these funds from net timber purchase receipts. Such funding should be provided for the Forest Service to adequately construct roads necessary for timber removal. We urge this be given proper consideration in the Congress.

Thank you for the opportunity to testify on behalf of the Region 8 Purchasers Committee. I would ask that you submit questions or request specific data for your information.

Senator McCLURE. Thank you, Mr. White.

Mr. HAGENSTEIN. Our last panelist is Wayne Gaskins.

STATEMENT OF WAYNE GASKINS, FORESTER

Mr. GASKINS. Mr. Chairman, our association, Western Forest Industries Association, is located throughout the Western United States, and our members representing the independent sector of the industry are very heavily dependent upon the national forests of the West for their timber supply.

During this past decade we have noted major shifts in the Forest Service road construction policy. These shifts have increased the financial burden on our membership because of our members need to purchase national forest timber offerings to meet their material requirements, regardless of the extra road requirements in the timber sale contract.

I looked for some good examples of analysis of the shift, and found a very good example in the Library of Congress report of April 15, 1975. It is included in my written testimony. I thought a summary sentence in that report described the present road building situation on the national forests as follows: "The burden of financing road construction has been completely shifted to timber purchasers who construct roads under reduced timber prices."

Also, Prof. Kenneth C. Tollenaar completed a report recently for county government policy, and in that report had a graphic presentation showing the tremendous shift in appropriated funding and reduction and the increase in timber sale contract road building. I have included that as appendix A.

Our people in WFIA certainly subscribe to the balanced program of roadbuilding with appropriated funds as well as under the timber sale contract. It is a program that does not exist today. The inequities and burdens brought about by this shift in roadbuilding policy are numerous. We have appeared here earlier this year for the transferable road credit hearings and are hopeful that proposed legislation will receive favorable consideration to improve the Forest Service road construction and maintenance program.

I have several suggestions. One of the suggestions might be a system of indexing road costs. For example, the forest road construction cost estimates permitted under the timber sale contract regularly fall far short of covering the actual cost of construction. This situation is caused in part by the timelag between the time the forest engineer

appraises the cost of the engineering and roadbuilding job, the entire timber sale package is appraised, advertised for sale, bid, and ultimately the successful purchaser programs his timber harvest schedule to build the road required under the contract.

A system known as indexing is used throughout our Federal highway program. It substantially removes this problem caused by the passage of time and our ever-present inflation. It appears such a system of indexing, if it were included in the timber sale contracts for the roadbuilding portion, could eliminate much, if not all, of that problem. If construction costs were to be included, with a recognized index such as the Engineering News Record, I would suggest that some provision be made in the contract that would encourage the successful bidder to build the contract road early in the life of the contract.

Also, we have noticed that there is a need for a national policy regarding the minimizing of national forest road loss during the course of heavy rainfall, or heavy winter runoff caused by the winter Chinooks. Both cause heavy flooding. A national policy of immediate action could reduce later flood damage repair. Such a national policy currently exists in our national forests when they are threatened by fire. No effort is made to stop the fire in its tracks.

A good example of this flood damage was in January 1974. A Chinook came in the Pacific Northwest. Two adjacent forests, the Mount Hood and Gifford Pinchot, both were subjected to the unseasonable weather. The snow turned into rushing torrents. The Mount Hood took major preventive action. The Gifford Pinchot took limited action because of the uncertainty of how to pay for the unscheduled expenditures during the height of the runoff. The lesser damage sustained by the Mount Hood National Forest is shown in appendix Bg, as compared to the Gifford Pinchot where minimal action was taken.

Another item that we were concerned about is a restating of the national policy regarding national forest road standards. We feel this is most essential. The meaning of Public Law 88–657 as it directed the standard of road to be built on a timber sale, needs to be restated as it seems to have been lost with the passage of time on some national forests.

We suggest the current procedure of collecting road maintenance funds from the timber sale for future maintenance of the road needs better accountability. The money, in some cases, just disappears into a fund, and the local people, county, industry, do not know where or how those funds are being used or justified.

Some of our national forest supervisors have set up literally what are ad hoc audit committees of industry and local government to see how those funds are being used, and the credibility there is strengthened substantially. Other forest supervisors have taken no action in this area of communication.

The other question in credibility is one that we have been interested in since 1970. The last major appropriation by Congress specifically addressed to accessing timber of law value occurred in mid-1969. Then, $50 million was appropriated for this accelerated access road program. In some cases, the money was spent wisely. In many other situations, the returns on the program left much to be desired. In some situations, "pet project roads" having little relationship to providing timber access were quickly renamed to qualify for the money.

A recent partial review shows that $36 million of these special appropriations were spent in Oregon and Washington. Since that program was launched, only 442 million feet of timber, as of July 1, 1975, has been sold to go over these new and "needed" road systems. During the next 5 years, only 356 million feet of additional timber sales volume are planned for sale over these roads designated by Congress to be for timber access.

I have included this Forest Service tabulation in appendix C. It is true some of the timber volume is blocked by the wilderness lawsuit and might never be hauled.

Others on our panel have referred to deficit sales. I think that bears further attention.

In summary, we would like to suggest that an increased road appropriation must be requested by the administration and funds appropriated by Congress to meet the access road construction needs.

Increased authority and continuing road access, road funding, is needed and warranted. One-shot programs of accelerated timber access roads may not be giving the most productive results.

A program of indexing road costs be included in timber sales contracts.

A national program and authority for preventing and minimizing road damage during periods of high runoff should be authorized with funding of the action similar to the procedure used in forest fire suppression.

The Forest Service is spending annually for forest roads in excess of $300 million in appropriated and timber receipts funds without prior generalized line accountability. Most of the expenditures are without much more than casual guidance. The strongest congressional direction is needed to assure that the future road appropriations and road-building under the timber sale contract carry a generalized line breakdown on road construction activities.

The current excessive deficit sale offerings must be minimized. We urge line accountability in the appropriation process carry as its highest priority that appropriated road funds be used first to prevent future timber sales being offered with more than minimal deficits.

Lastly, we are hopeful that the consideration and authority to allow the transfer of earned effective road credits as proposed in S. 364 be made law as soon as possible.

Thank you sir.

Senator McCLURE. Thank you, Mr. Gaskins.

Mr. HAGENSTEIN. Mr. Chairman, we appreciate very much your very courteous and very thoughtful attention to the remarks the gentlemen have made. We are all available to answer any questions you may possibly have.

Senator McCLURE. Thank you very much.

Your full statements will be made a part of the record.

I and the staff will go through those statements, as well as other members of the committee will go through those very carefully. We may have questions to submit to you for more precise information and the record will stay open for responses to those questions for a limited period of time.

Mr. Hagenstein, what would you estimate it will take to complete the national forest road systems so that the full potential of the

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national forest can be realized in terms of commodities, service, and recreation for the public?

Mr. HAGENSTEIN. Well, in listening to the rest of the morning's responses, one of your questions about the need for 130,000 to 150,000 miles, with my suggestion of the target date for 10 years, this would mean 13,000 to 15,000 miles a year. Taking the upper figure, the 15,000 miles per year, just assuming that it might be $20,000 per mile average, in all classes of roads, we are talking about $300 million a year.

Senator MCCLURE. Far in excess of what is being expended?

Mr. HAGENSTEIN. Far in excess, yes, sir.

Senator MCCLURE. Should roads in the national forest be built by appropriated funds or cost sharing between the Government and other intermingled owners, and as a part of the obligation of Government timber sale purchasers?

Mr. HAGENSTEIN. It seems to me we have to keep the options open for all classes. However, those roads that clearly cannot be paid for by the resources that are going to be offered ought to be paid for by funds invested by the public in their own property.

One other thing that comes to mind, if there isn't any other way in the world to do it, we sell bonds for everything else, maybe we could have some road bonds and let the resources from the national forests as they are harvested be used to amortize them. It is one item that might be considered.

Senator MCCLURE. Have you explored that any further than just suggesting it as a possible alternative?

Mr. HAGENSTEIN. No, sir.

Senator MCCLURE. I was struck by several members of the panel speaking of excessive requirements.

Mr. Craig, you mentioned particularly the surfacing. Is excessive surfacing the only excessive requirement?

Mr. CRAIG. No, Mr. Chairman. There are others which we consider excessive. I think to be fair we must recognize some of these are the result of eager people with warped ideas and are not necessarily policy. But we do see some abnormalities such as requiring splitting of all oak stumps on the right-of-way that is a mile from the heavily used road because of esthetic reasons. But there has been a tendency to increase requirements in connection with the clearing, justified in part by "environmental" concerns which to a large extent are subjective as to what it is that really may upset the public. Do root wads that are moved from view have to necessarily be totally disposed of, or can they not be just put out of sight? There is a tendency in recent requirements to have the operators dispose of totally any large materials that come off the right-of-way. Again, both in connection with road construction and with logging slash disposal, the Forest Service is shifting the burden to the operator to reduce the fire hazard problem as much as possible. Again, it has lead to some of these very substantial deficits which should not be tolerated. So it is true there are other requirements that are excessive besides those dealing with surfacing.

Senator MCCLURE. Mr. Craine, you made some reference and gave some specific examples attached to your statement, of what you thought were excessive requirements. I noticed some of them in

particular. Your example No. "F", attached to your statement, of a road less than 1-mile long which provides direct access to one cutting unit, 14 on the sale, it is near a ridgetop and will have no further use when the sale is closed? I would understand you to say that that is an excessive requirement on road building for that particular sale?

Mr. CRAINE. We believe it is. We understand there comes a time when judgment comes into play on deciding what you are going to do on these things. But we have been told that this road is going to be closed when the sale is complete. It seems to us there is very little reason to build a specified standard, if that is the case.

Senator MCCLURE. In that instance, what is "specified standard"?

Mr. CRAINE. The standards that require an engineered road; that is, built with drainage structures, culverts instead of water ditches, built to tolerances of width, alinement and grade, and in many cases, also, it has specifications regarding the running surface, such as rock.

Senator MCCLURE. And width of running surface?

Mr. CRAINE. Yes.

Senator MCCLURE. Isn't it a fact in many instances those kinds of standards require a heavier impact on the land than a less extensive road system.

Mr. CRAINE. That is the result in many cases, yes. The Forest Service has a policy of trying to design and build roads that lay lightly on the land. In many cases the interest in alinement particularly results in heavier cuts and fills than would be indicated if the road were designed to lay lightly on the land. However, this is an engineering concept and doesn't necessarily relate to the size of the road.

Senator MCCLURE. But the alinement and grade restrictions may require roads to be constructed in areas where the impact upon the land would be greater than it could be if there were more flexibility in location and design?

Mr. CRAINE. It can have. You can have a short pitch at a steep grade that would avoid having to make a heavy cut around a point or something of that nature.

Senator MCCLURE. Several of you on the panel have also mentioned the matter of reconstruction of roads where hauling has occurred over existing roads. Is that an extensive problem?

Mr. BENNETT. Senator, in our area that is a horrible problem. We are using roads to haul sales we have bought 3 or 4 years ago and constructed the roads 3 or 4 years ago, that we can't haul the next sale that we just bought a few weeks ago, until we have rebuilt the entire road system. In many cases we are required to build new roads to replace roads 3 years old.

Senator MCCLURE. New roads on the old location?

Mr. BENNETT. Yes; to tie in with the sale, to cut out the steep pitch or something of that nature. The road systems were adequate to haul the timber out last month or last year, but not adequate to haul out the timber next month.

Senator MCCLURE. Are those primarily environmental considerations or engineering considerations dealing with alinement, grade and drainage restrictions?

Mr. BENNETT. It is a combination. The new standards in effect don't allow us to use that type of road. They have to have crushed rock on the road in most cases. Some of it is realinement. The idea

that you would put a new road in to cut out some misalinement here, to get to another spot where you can avoid building a road, seems sort of ridiculous to us. The idea is to build less roads in the forest land as much as possible. We subscribe to that. But when they bypass an existing road to replace it, then we have to sort of wonder what is going on.

Senator McClure. I think you have given me examples in the past of that policy which has not only required to build a new road paralleling the old road, but also have rendered the sale a deficit sale.

Mr. Bennett. We just purchased three sales, and all of them were huge deficits, and all of them required reconstruction of existing roads. One of them required construction of a new road to go into the sale area when we had already access by two different sales roads built 5 years ago. The Forest Service decided to construct new roads. The cost was about $300,000 on a 7 million foot sale. This could have been avoided by using existing roads and tapping the existing roads into the new sale area. This could have been avoided.

Senator McClure. Is the problem of assignment of reconstruction costs to existing timber sales different from or the same as the assignment of general road building costs? Is there more or less difficulty in determining whether or not a specific timber sale should bear the cost, or is the requirement new construction?

Mr. Craig. Mr. Chairman, there perhaps have been more difficulties in connection with this. I don't feel it necessarily has to be that way. One of our problems is most roads are initially built in connection with the timber sales. Then some public use begins to develop on the road. Then the Forest Service says you can't move timber over that road because it is unsafe. You have to enlarge it, pave it, straighten it, reduce the grade, or something else, and timber has to again totally bear the cost. This is an example of what I feel is a violation of section 6 of the law. If the Forest Service were to pro rate those costs as to the uses, both present and future, the costs borne by the timber sale would be substantially less.

Mr. Bennett. Senator, maybe we answered that entirely, but in regard to one statement made earlier, I don't think any timber operator wants to construct roads. We are in the logging business or the sawmilling business and not in the road construction business. We are in there because of necessity just to get timber. But we would like very much to be out of that position as much as possible.

Senator McClure. I can see the point you make, Mr. Craig, in regard to the measurement of proportional uses on an existing road. Where it is perhaps more easily measured than it would be on the projected uses in the future. I know of one sale in my State that went in where they were on the rotation basis, where the period was probably between 30 and 40 years, where they built roads, minimum grade, 28-foot shoulders, crushed rock surface. The roads have virtually no use for that 30- to 40-year period after the timber is constructed. Every one of them in that entire watershed are dead end roads. They connect to no other system at all. I would guess there is something on the order of 75 miles of road. Grouse, deer hunters, and huckleberry pickers like them. But how about the instance you have mentioned where roads are built at high standards and then barred from public use? In those instances will there be a more frequent period of use than the one I have described?

Mr. HAGENSTEIN. It is going to vary all over the lot. I know of some where you have a one time use for a long period. The tendency is to put them to bed and let them go. The public comes there and sees the gate across the land, and it is their land and their money that built the roads, and they think they have been denied it, as they are.

Senator MCCLURE. A more frequent pattern is not a gate, but just to bulldoze a pile of dirt across the road.

Mr. HAGENSTEIN. Or fall a snag that presumably you couldn't get around.

Mr. BENNETT. We are putting gates under the Forest Service contracts and they are going to put a sign on it.

Senator MCCLURE. I suspect if they have as much luck with those signs as the others, the hunters will use them to sight in their rifles.

Mr. White, you stated in your testimony many small businesses don't have the personnel or equipment to properly construct the roads. Does that mean to imply the roads are being improperly constructed?

Mr. WHITE. No, sir, they simply go out and find a road contractor large enough to do the job and pay whatever it takes to get it done. Sometimes the contractor may be larger than they are as far as business is concerned. They find themselves in a peculiar position of being the middleman and being the smallest of the lot.

Senator MCCLURE. I would direct this perhaps to Mr. Craig and let any of the rest of you answer that would like.

Do you agree with the statement made by the Forest Service that that timber purchaser construction is more economical than contract?

Mr. CRAIG. No, sir. As you so aptly pointed out, we have to look for hidden costs. I discussed some aspects of those hidden costs earlier, and the costs come right back on the operator because the Forest Service states that in their timber appraisal, everything is accounted for. But, in fact, by this device they deny the purchaser the profit on the road construction since he must certainly pay a road builder to do the job. The road builder is not going to do it because he likes to deal with the Forest Service. He is going to take on these large jobs only if he gets a substantial margin.

The majority of the road jobs under timber sale contracts in our State are done by road contractors. This has come about just in recent years. It is partly because of the great requirements that are placed on the timber purchaser. They do not have the equipment, the personnel. As Mr. Bennett says, they are interested in purchasing timber. Now, if it is more economical to take advantage of a customer, perhaps in that sense the Forest Service is right. But only in that sense. It certainly would be much more appropriate to contract with people who are in the business of building roads, let them compete for that opportunity, and pay for it with appropriated funds.

Senator MCCLURE. Any other comments from any other members of the Panel?

Mr. CRAINE. I would like to comment along those lines. I think there are several very basic differences between a road construction contractor and a timber sale purchaser that the Forest Service fails to recognize in its approach to timber purchaser built roads.

In the first place, a road construction contractor up to a point has the freedom of choice as to whether or not he takes a road construction job. A timber purchaser, if he needs that timber sale, he doesn't

have that freedom of choice. The road construction job comes along with the timber.

In the second place, when the road construction contractor takes the job, he takes it at his price. Timber sale purchaser takes it at somebody else's price, namely, the Forest Service estimate, which may be right and may not. In the last few years generally they have been low.

In the third place, the road construction contractor is a road builder. He has the right kind of equipment to do the job, and he is geared up to do it and the fact that the logger is in the area with his equipment doesn't really mean that he saves on hauling in and hauling out costs so much, because his equipment may not be right—the right type of road building equipment.

Finally, a road contractor, as he proceeds with the job, gets some money back. As each phase is completed, he gets a percentage of his money. He gets it in the form of a check. The timber sale purchaser gets it in the form of credit, which looks good on paper, but doesn't come back to him until he starts hauling the timber a year or two hence. These are all important differences between the two.

Mr. CRAIG. Mr. Gaskins pointed out the differences in costs and adjustments. There are other substantial differences between the timber sale contract road requirements and those provisions under contarct just for the construction of roads. There are opportunities under the latter for making appropriate adjustment when different types of work are called for or necessary to meet a problem.

There is a partial remedy under the timber sales contract, but it is not of the extent that it is in regular road construction contracts.

Senator MCCLURE. Mr. Craine, you touched on one point that I thought several of you might—maybe you did in your prepared statements, and in skimming through them I missed it—the comparison between cost allowance and experienced costs. I wonder if you could give me some further statements in regard to what you have actually experienced in the cost of construction as compared to the cost allowances separating out, if you can, the error in the cost allowance as distinguished from—if that exists—distinguished from the inflation that applies to the cost estimate?

Mr. CRAINE. Well, to start with, in arriving at their unit cost allowances for road construction, the Forest Service has up until very recently, just the past month or so, at least in our area, done this by taking the average of bids received on road construction contract jobs, the hard money jobs, as they refer to them, and they have applied those to the timber sale contract.

Senator MCCLURE. On what basis did they do that? On a mileage basis or a work equivalent basis?

Mr. CRAINE. On a unit basis, a cubic yard of dirt, an acre of clearing, what have you. It has been, as you heard this morning, something like 2 years or longer since they have had any amount of hard money jobs. The result is that you asked me to separate the inflation from some of the other factors, but this has been one of them. The result is that the figures that they have from the hard money jobs are old figures. Inflation has been a big, big factor.

Senator MCCLURE. So it is not just inflation in the sense of the difference in costs between the time that they are estimated and the

time they are completed, but it is also inflation based upon an earlier index?

Mr. CRAINE. There is quite a time lag between the time to which the figures actually apply and the present time. They can be several years in cases. This matter that Mr. Craig, I believe, hit upon of the profit and risk allowance is another one. The matter of delay in engineering is another one. I believe, honestly, in our Region the Forest Service is making an honest effort to get up-graded costs, and I have hopes we are on the right track there. But we have really hurt in the last year. In some cases where we have had to wait for engineering, we have had costs going up 50 percent or more over and above the cost allowances in culverts.

Mr. BENNETT. We bought three sales within the last three weeks, and within two weeks from the time we bought the sales, we had all of our bids completed on engineering. That was a requirement of the contracts. The lowest of all of the bidders in our area, and we got every one of them, was 25 percent over the Forest Service appraisal.

The last sale we bought prior to that time, $124,000 road on it, we concluded everything but the oiling, and we have $268,000 in that road presently. We are not through with it. That is in a year and a half's time. That gives you an idea that inflation is not the only problem. It is a problem with updated costs mostly. The costs they collect are always in the past. They are using that as they work up the sale. By the time you buy it and get your bonds and so on, a substantial amount of time has passed. There are a lot of costs that don't have much checking.

Mr. CRAIG. I think to be fair, Mr. Chairman, we ought to recognize that the performance is somewhat irregular by regions. I feel that in California the Forest Service has really done a job in trying to improve its cost allowances which about 3 years ago were greatly out of line. Currently they are much better. There still are problems, but an effort is being made.

Senator MCCLURE. Mr. Gaskins, you suggested indexing. Are you talking about the cost increases during performance of the contract?

Mr. GASKINS. Mr. McClure, on the indexing that I suggested, it is on the engineering-road building function. The Engineering News Record is one index that could be used. At the time the engineering section of the Forest Service appraised their estimate of the cost of road construction, they would also include a road cost index for that period to which the timber sale contract would be tied.

Senator MCCLURE. From that point forward?

Mr. GASKINS. From that point forward; as the gentlemen have described, it takes time to get a sale advertised, programed and so on. Then whatever the index is at the time the timber purchasers the road, in that particular quarter the Forest Service we would then adjust the road construction allowance. Assume the index went up 10 percent and we had a $100,000 road, the allowance would be $110,000. If it happened to go down as it did recently on dust oil, the allowance would go down a little bit. It would be an equitable thing and would eliminate much of the friction between Forest Service people and timber purchasers away. At least the purchaser would be paid for what the Forest Service is asking him to do.

Senator McCLURE. Doesn't the purchaser take into account those factors when bidding on the timber?

Mr. BENNETT. Not always. Maybe now we might take it into more consideration that we have in the past. It has been in the last couple of years, Senator, we have been required to do so much.

In other words, it used to be we constructed the road to get to the timber. Now we have a foot of crushed rock, sometimes asphalt paving, oiling, multiple arches. Each time we go into something new, it takes us time to learn. As we learn, we find it is costing us money.

Mr. CRAIG. Mr. Chairman, you can't bid less than the advertised rate. If the advertised rate includes these aberrations, you are stuck.

Senator McCLURE. The indexing would take care of the inflation during the period of the contract, but would not take care of the inflation in base data, is that correct?

Mr. GASKINS. That's correct.

Senator McCLURE. Mr. Gaskins, in your summary you indicated that one-shot programs of accelerated timber access roads may not give the most productive results. I believe your reference is to the $50 million accelerated programs of fiscal year 1970. Your summary of that portion of that program tabulated in appendix C seems to have produced spotty results. Can you tell me why and give me some examples of both good and bad?

Mr. GASKINS. The accelerated road money of calendar 1969 came about with the tremendous increase in lumber prices and the administration recommended the $50 million program accelerated access and the Congress provided the funds. As a result of that rather quick response to a high market and the immediate need to spend the money, in some cases roads that were already planned for another purpose than assessing timber or for a lesser purpose of timber access were quickly renamed to qualify as timber access roads.

Senator McCLURE. You think they were renamed not because they fell within the parameters of that particular program, but in order to accomplish other unrelated objectives?

Mr. GASKINS. That's right. In one case in our immediate area we actually insisted through the good offices of Mr. Ullman to delay the building of that road until they did meet the criteria of accessing timber. Just last week the Forest Service completed a summary on region 6 roads built under this emergency road building program that I included in appendix C. It is very interesting to note where the money was used, and in some cases it is possible to see the roadless wilderness areas controversy and the impact this controversy has had on roads. On the Tipton Road, the Forest Service spent $1.4 million. They have sold, to date, $1.3 million and they have no plan to sell any additional timber in the next 5 years.

On the Silvies Logan Road, the Forest Service spent $1.7 million to build. They have sold 2.3 million board feet and programed 4.3 board feet in the next 5 years over that road. That is rather an expensive access. I am not suggesting that access might not have been needed, but I recommend continuing road building programs so that better planning can be executed in developing the roads system.

Another very important road to us in the Northwest, the Lewis River Road System on the Gifford Pinchot National Forest, is a key for access into that portion of the forest. They have spent $2.8 million

on a portion of that road, and still they have not sold anything to come over it. It might be better that we would program that $2.8 million for other needs until we are ready to make such offerings, but on a steady basis rather than one-shot. The General Accounting Office in their report B–125053 refer to concerns involving this road.

I think you will see that for $36 million, only 442 mile feet have been sold in almost 6 years. Also, I didn't have the information for region 1, I did have two very good examples of region 1 which are included in the written remarks, showing that except for right-of-way timber, nothing has been hauled and may never be hauled over either road.

Senator McCLURE. You have shown some bad examples. Can you show some good examples where the money was used in the way it should have been used?

Mr. GASKINS. The Logan Valley Road in which $1.9 million was spent has already had 150 million feet of timber hauled on that one road system and the Forest Service has planned to have 60 million more coming. That is an excellent demonstration.

The White River Road on Mount Hood cost $2.6 million. They have 13 million feet sold and 29 million more coming in the next 5 years.

So there are good examples and bad examples. I believe part of the explanation for this spotty success is the one-shot financing approach.

Senator McCLURE. You have illustrated some reasons why the general assumption might not be correct. The general assumption would be that so long as the cost of roadbuilding is less than the projected value of the sale, it doesn't make any difference to you whether you pay for it in roadbuilding credits or whether you pay for it in cash upon removal of the timber. You have indicated several differences why that general statement on the part of some might not be correct. Certainly to the degree, except for the things that you have brought up, there is a degree of truth in the fact that you perhaps care less about the impact of the roadbuilding than some other people who pay for it more directly. Certainly there is enough expense to you in this transfer of responsibilities to cause each of you in the timber industry to have concerns, concerns that are serious enough to compel you to raise the questions, concerns that are serious enough to get you here to testify when that opportunity is afforded to you in this hearing.

I appreciate the fact that you have been here. Your testimony has been constructive. I appreciate your response to the questions and look forward to further contacts with you as we try to work out some type of Congressional oversight for the roadbuilding program.

Mr. HAGENSTEIN. Thank you, Mr. Chairman, on behalf of the panel. We are the stockholders of this property and the key to success is adequate access.

[The prepared statements of the previous panel follows:]



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Statement
of
W. D. Hagenstein, Executive Vice President
Industrial Forestry Association
Portland, Oregon
on
National Forest Transportation System
before
Senate Committee on Public Works
Washington, D. C.
July 14, 1975

Mr. Chairman and Members of the Committee, my name is W. D. Hagenstein and I reside in Portland, Oregon. I am a professional forester and a registered professional engineer in the States of Washington and Oregon. I am also a registered professional forester in the State of California. I am Executive Vice President of the Industrial Forestry Association which has been working for a permanent timber supply for the forest industry of the Douglas Fir Region for 41 years. I have been with the Association for 34 years and have been its manager since 1949.

Industrial Forestry Association Members are in the business of growing and harvesting trees and manufacturing lumber, pulp and paper, veneer and plywood, shingles and shakes, hard and soft boards, poles and piling, doors, furniture and other forest products. They operate more than 400 wood processing plants and have more than 200 different logging operations in process all the time in our Region. They employ 90,000 people whose payroll is about one billion dollars per year.

Industrial Forestry Association first urged Congress to authorize an adequate system of timber access roads in the national forests in 1947. It vigorously supported increased authorizations for forest development roads and trails before your Committee and the comparable Committee in the House in 1952, 1954, 1957, 1958, 1960, 1962, 1964, 1966, 1968, 1970 and 1973.

This has been our consistent position since we knew that without timber access roads the national forests could not contribute their rightful share to the Nation's economy and environment as envisioned by Congress in the Act of June 4, 1897 (30 Stat. 35: 16 U. S. C. 475) when it decreed that one of the two principal purposes of the national forests was "to furnish a continuous supply of timber for the use and necessities of citizens of the United States."

At this point I would like to emphasize something that has been discussed too casually, in my opinion, before the Congress during the past seven years since the Housing Act of 1968 was passed. This Act established the social goal of a decent home for every family which was expected to require the building of 26 million new homes within a decade. With the Federal government owning more than one-half of the total timber inventory of the United States, it should be patently obvious to everyone that the Nation's homebuilding goals could not be reached without the full contribution of the Federal timber's rightful share of the building materials.

And that's why the Forest Service's own estimate that 10 billion board feet of timber in the western national forests, exclusive of Alaska, which is lost each year to insects, disease, wind, old age and fire is a national calamity that the Nation just can't endure. This was first brought out by myself before the Senate Committee on Banking and Currency, as it was then called, at its Hearings on the Problems in Lumber Pricing and Production in March, 1969. When questioned by the Committee as to what needed to be done to salvage this tremendous loss of potential homebuilding materials for the American people, I stated "access." I estimated that in a reasonable length of time, and I said "five, six or seven years," extension of the national forest road system would make it possible to reach and salvage for use half of this tremendous loss. So, translating the salvage of five billion board feet of timber per year, made possible by accessibility, into building materials would mean a half million homes. With proper roads this could be continued year after year and provide from one-fifth to one-fourth of all building materials for American homes.

Later in the same Hearings, the Chairman asked the then Chief of the Forest Service what was needed to salvage the mortality and he responded, "If we had a road system to all of our stands (forests) that we are managing for commercial production,.....could move in and pick up the mortality." He also estimated that with accessibility that half of the ten billion board feet could be salvaged and that it would represent considerable market value at prices then prevailing.

Three and one-half years later the Forest Service revised its estimate of annual mortality on the western national forests to 6.2 billion board feet. Despite this reduction from the 10 billion board feet mortality figure previously used and cited above, it is still an astronomical amount. If only half of it were salvageable it would furnish enough building materials to build 300,000 homes per year. To let it continue to remain inaccessible and unsalvageable is not only sheer waste, but a national disgrace.

This chance to capture the salvage for use is both a challenge and opportunity for the Government because it can accomplish two of its goals through an adequate transportation system in the national forests--first, salvage the public's timber so that the lands can contribute what they should to the country's homebuilding needs and second, enhance the supply of building materials of which we have an artifically short supply every time the Nation's homebuilders construct a million and a half homes in a year. I say "artificial" because the timber is there, it just needs salvage and harvest and the key is roads.

In the last decade our Members have purchased half the national forest timber sold in our Region. They also buy a significant quantity of logs produced by others from the national forests. We have detailed knowledge of the necessity for timber access roads because our industry builds, as part of its timber sale contracts with the Forest Service, more than $60 million worth of roads in our Region annually.

Only a few pertinent data are necessary to make the case for an adequate system of timber access roads in the national forests of Washington and Oregon. What we set forth as an example for our two Northwest states applies similarly to all other states where national forests are an important part of America's timber supply.

Washington and Oregon have two out of every five trees in the Nation's timber supply. From the annual harvest thereof we produce about one-fourth of all the forest products consumed by the American people. The annual value of our forest crop is $5.8 billion. It furnishes an annual payroll of more than $1-3/4 billion to more than 160,000 people. This is our largest individual payroll, unsubsidized in every respect, and backstops 50 per cent of the Northwest's basic economy. Forty-three per cent of Oregon's population is supported by forestry; 21 per cent of Washington's.

Because of the renewability of trees through forestry, we can continue to live off them, providing the principal forest ownership, the national forests, does its part. And, this means continued capital investment in national forest roads until those parts of every national forest best suited and designated for forestry by law are accessible for growing and harvesting trees on a permanent basis.

Washington's national forests have two-fifths of the State's total timber supply (Table 1); in Oregon, considerably more than half (Table 2). The national forests were the last major ownership to be placed under modern, scientific forest management, largely due to their relative inaccessibility until 15 to 20 years ago. As roads have been built, the contribution of the national forests to our annual timber harvest has been improved to the point where it is significant (Tables 3 and 4). However, it can be improved more by the more intensive forestry that better access will allow.

The full allowable cut of timber was harvested on the national forests of Washington for the first time in 1963; in Oregon in 1959. Never before had the Forest Service been able to achieve its sustained yield goal of the national forests for the benefit of the citizens of the United States who own them. Primary

reason for previous failure to meet this desirable social and economic objective was inaccessibility.

Table 5 shows the trend of both allocations of appropriated road money and the 10 per cent road and trail fund which were both rising steadily until five years ago when they began to stabilize at about the indicated plateau. The greatly increased road investments of recent years over a decade ago have greatly improved the potential of the national forests of our Region for harvesing their full allowable timber yield, thus making their full contribution to the Nation's forest products supply for housing and other uses, as well as to employment in our basic industry. In the last two years the appropriations have dropped substantially due to the tight budget constraints of the Department of Agriculture and the tendency of the Administration to impound funds. This is a critical problem as far as the continued, orderly development of the National Forest Transportation System which ought to be completed no later than 1985 if the national forests are to play their full forestry role.

Table 6 shows that the major share of roads has been built by the purchasers of national forest timber in our Region in the last decade under the terms of their timber purchase contracts with the Forest Service. The timber purchasers do not object to this but it has put a strain on their working capital requirements. During periods of high interest rates on borrowed capital, timber purchasers need to recover that capital as quickly as possible and that was the purpose of a recent Bill, S. 364 which we supported before your Subcommittee on Roads and which we were dismayed to learn was opposed by the Forest Service. This Bill would have allowed more rapid recovery of the capital advanced to the government through road building by timber purchasers and for which there is no interest allowance in the timber appraisal, by allowing credits for roads built to be transferred from one timber sale to another within the same national forest. The Bill is a very practical proposal to ease the working capital requirements of operators of all sizes and to allow the Forest Service to get its road system constructed more rapidly in those times when appropriations are hard to come by.

In a real forward step to speed up the construction and maintenance of an adequate transportation system for the national forests, Congress passed the National Forest Roads and Trails Systems Act (78 Stat. 1089; 16 U. S. C. 532-538) in 1964. The Act not only clearly expresses the finding of Congress that an adequate system of roads within and near the national forests is essential for meeting increased demands for timber, recreation and other uses but that such system will increase the value of timber and other resources tributary to such roads as well as enable the Secretary of Agriculture to provide for intensive use, protection, development and management of the national forests under principles of multiple use and sustained yield. The Act also, for the first time, solved the age-old problem of access in those many areas in the western United States where there is an intermingled landownership pattern inside the national forests as a result of the land grants made to the railroads in the middle of the last century. Obviously with every other square mile in private hands and the alternate sections in the government's, both parties have mutual need for access to and across their respective ownerships for reaching, managing and enjoying the benefits of their property. The Act has resulted in the exchange of many permanent easements between private owners and the government and the sharing of over $100 million of construction and reconstruction costs of roads built on such easements. Through these so called "cost-share" road agreements, the two parties determine where a single road system will serve the needs of both and thus preclude the necessity of duplicating road systems as well as reducing the capital needs of each through the cooperative construction with costs prorated as the interests appear. The investment in such roads is increasing at a rate of approximately $10 million per year.

Because of the high degree of cooperation between the Forest Service and the intermingled private landowners in the development of cost-share agreements for mutual benefit, it is pertinent to include as part of my testimony a letter from Russell P. McRorey, Associate Deputy Chief of the Forest Service, to the Chairman

of the Forest Roads Committee, National Forest Products Association. It is appended to my statement, Mr. Chairman, I would like to request it be included in your record. It is an excellent record of the value of the cost-share road program and how it has mutually served the government and the intermingled private landowners. But like all means for improvement of the relationship between landowners with mutual need for access, it takes continued cooperation and investment on a regular basis to extend the road systems to those areas needing protection, management and use. In the last several years because of inadequate funds for forest development roads resulting both from inadequate budget requests, impounded funds and Administration insistence that the Forest Service revert to use of receipts from national forest timber sales to fund road construction, the cost-share road program has been seriously jeopardized. The intermingled private landowners have continued with their construction under such agreements but the Forest Service in the last several years has not been keeping up with its share of corresponding roads which means that many private owners have had to accelerate their construction to maintain access enough to continue their operations at their normal levels. This is important to them not only for steady raw material supplies for their plants but for continued work for their employees.

Not only has the Forest Service not met its share of construction and reconstruction during the past two years but it has also failed to take the initiative to provide for payments or tolls adequate to cover the excess costs incurred by a private cooperator in a cost-share agreement. At the same time the Forest Service has continued to insist upon full Federal ownership of these road systems and therefore maintaining the inherent right to use them in the development of its annual timber harvest program. Because of the time lag, even if the level of Forest Service funding were significantly increased immediately, it would be difficult to catch up to resume its full share of responsibility.

The result of this falldown by Uncle Sam, of course, is less roads to meet both the public and private timber harvest schedules and has unfortunately required the concentrating of timber harvesting on available roads rather than dispersing the timber harvest over broader areas to allow the salvage and recovery of the worst stands first.

Needless to say when Uncle Sam is not putting in his share and particularly during times of high interest rates, the pressure on private working capital is severe. And, of course, it also has an adverse effect in some instances on the ability of the Forest Service to sell or harvest its full allowable cut which results in less receipts to the counties which share 25 per cent of the gross by law.

One company with whose cost-share agreements I am familiar has continued to make its share of the investment in new roads while the Forest Service has fallen behind and that company had a excess credit position of over $400,000 through March, 1975. It has projected its out-of-pocket costs will accumulate to $1,380,000 in excess of credits by 1976, after which they will slowly decline to approximately $374,000 by 1983 through Forest Service collection and payment to the cooperator of tolls collected from haulers of national forest timber over the road system. Of course, in these projections there is no interest allowance or consideration of the effect of inflation upon the Forest Service deficit because it hasn't lived up to its part of the agreement. The cost-share agreements have always assumed that neither party will consider interest because of the fact that each party agrees to live up to its responsibility in road construction annually and therefore there is no need for consideration of interest. Obviously on the kind of excess credits that are being experienced by a company as per the example I've cited above at rates at which it could borrow money, say 9 per cent during the past two years, one can easily see it is going to experience a significant loss because of failure of the government to fulfill its part of the cost-share agreement.

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Through not meeting its responsibilities with the intermingled private landowners, the government is retarding normal development of the transportation system in these ownership patterns. It is restricting the ability of the private party to follow his forest management plans and meet his operating schedules. It also deprives the private landowners of their capital resources with unfair interest costs on capital invested on behalf of the Federal government. Even further, it results in potentially less favorable environmental conditions than if both parties were to complete their part of the road system on schedule.

Some other problems created by failure of the government to perform include the maintenance of existing roads. Much of the maintenance required results from public use. This is true not only on hundreds of miles of roads which are not used for timber hauling, but also on those which are. The funds to pay for maintenance necessitated by public use should not be assessed against stumpage receipts from timber sales. Therefore, if inadequate appropriated funds are the case, maintenance is often neglected. One way the Forest Service solves this is to close some roads on the theory that no use means no maintenance. This isn't always the case, however, and also it doesn't seem fair to deny the public the right to use roads after it has paid for them with tax money.

A less identifiable problem for the private landowner, but one which adversely affects him economically, results from frequent need to reschedule development activities because of changes in Forest Service plans. If Forest Service funding is either diminished or eliminated, it reschedules its activities which may have been planned ahead for several years and around which the private landowner had been doing his planning for his part in the cost-share agreement.

Another serious problem resulting from low funding levels for the Forest Service for road development is the lack of management activities in areas where timber volume and values are insufficient to pay for road development costs. This impedes application of intensive management in areas where such work is needed to bring the land up to its optimum potential.

We would like to suggest that your Committee consider requiring that the Forest Service provide you annually an accurate estimate of its capital needs to meet its full obligations for the investments which have been incurred by the private owners in a cost-share road agreement up to effective date of the next budget period. We would also recommend that the Forest Service budget include provision for payment of this amount in cash to eligible cost-share cooperators and that it provide enough funds to meet the government's responsibilities pursuant to cost-share agreements.

The National Forest Roads and Trails Systems act was a real step forward and now needs to be looked at carefully as part of your Committee's oversight function to assure that it continues to work pursuant to the intention of Congress which I paraphrased above in my first discussion of the Act and its objectives.

We greatly appreciate your Committee's continued interest in the national forest road problems and respectfully suggest that you should shoot for a target date of 1985 to get every last mile of road necessary for top-notch management of the national forests in place. With completed access the national forests can live up to their founders' fondest dreams for serving the Nation in many ways. With roads the national forests can easily produce their full potential growth and harvest of timber without which America will have a hard time meeting its legal and moral goal of a decent home for every family.

TABLE 1

OWNERSHIP OF LIVE SAWTIMBER ON

COMMERCIAL FOREST LANDS IN WASHINGTON

JANUARY 1, 1970

(Billion board feet, log scale)

		Volume[1/]	Percentage
Public:			
	National Forest	134.7	41.4
	Other Public 2/	67.0	20.6
	TOTAL	201.7	62.0
Private		123.4	38.0
	GRAND TOTAL	325.1	100.0

1/SOURCE: "Forest Statistics for the United States, By State and Region-1970," USDA, Forest Service, 1972.

2/ Includes Public Domain, Indian, State, County and Municipal lands.

TABLE 2

OWNERSHIP OF LIVE SAWTIMBER ON

COMMERCIAL FOREST LANDS IN OREGON

JANUARY 1, 1970

(Billion board feet, log scale)

		Volume[1/]	Percentage
Public:			
	National Forest	258.5	56.6
	Other Public 2/	77.7	17.0
	TOTAL	336.2	73.5
Private:		121.5	26.5
	GRAND TOTAL	457.7	100.0

1/SOURCE: "Forest Statistics for the United States, By State and Region-1970," USDA, Forest Service, 1972.

2/ Includes O & C, Public Domain, Indian, State, County and Municipal lands.

TABLE 3

TIMBER HARVESTED BY OWNERSHIPS IN WASHINGTON
1964-1973
(Thousand board feet, log scale)

Calendar Year	Private	National Forests	Public Domain & National Parks	Indian	State & County	Total
1964	3,503,600	1,845,000	13,900	424,200	574,800	6,361,500
% Total	55.1	29.0	.2	6.7	9.0	100.0
1965	3,590,923	1,720,090	25,159	459,740	725,863	6,521,775
% Total	55.1	26.4	.4	7.0	11.1	100.0
1966	3,459,617	1,572,825	24,566	430,930	587,456	6,075,394
% Total	56.9	25.9	.4	7.1	9.7	100.0
1967	3,310,594	1,599,602	23,557	466,042	536,622	5,936,417
% Total	55.8	26.9	.4	7.9	9.0	100.0
1968	3,856,059	1,791,269	48,297	529,730	743,561	6,968,916
% Total	55.3	25.7	.7	7.6	10.7	100.0
1969	4,230,311	1,519,025	36,459	420,511	797,852	7,004,158
% Total	60.4	21.7	.5	6.0	11.4	100.0
1970	4,045,466	1,378,269	25,739	367,907	642,490	6,459,871
% Total	62.6	21.3	.4	5.7	9.9	100.0
1971	3,946,082	1,261,437	76,858	415,943	750,210	6,450,530
% Total	61.2	19.6	1.2	6.4	11.6	100.0
1972	4,014,786	1,487,561	21,636	488,662	1,066,876	7,079,521
% Total	56.7	21.0	.3	6.9	15.1	100.0
1973	4,728,131	1,613,131	24,976	445,123	998,035	7,809,396
% Total	60.5	20.6	.3	5.8	12.8	100.0
GRAND TOTAL	38,685,569	15,788,209	321,147	4,448,788	7,423,765	66,667,478
AVERAGE FOR PERIOD	3,865,557	1,578,821	32,115	444,879	742,376	6,666,748
PERCENTAGE	58.0	23.7	.5	6.7	11.1	100.0

NOTE: Data furnished by Washington Department of Natural Resources, Olympia, Washington and Pacific Northwest Forest and Range Experiment Station, Portland, Oregon.

TABLE 4

TIMBER HARVESTED BY OWNERSHIPS IN OREGON

1964-1973

(Thousand board feet, log scale)

Calendar Year	Private	National Forests	O & C and Public Domain	Indian	State & County	Total
1964	4,014,000	3,431,300	1,637,700	90,500	244,500	9,418,000
% Total	42.6	36.4	17.4	1.0	2.6	100.0
1965	4,020,600	3,784,300	1,238,700	73,900	262,300	9,379,800
% Total	42.9	40.3	13.2	.8	2.8	100.0
1966	4,099,981	3,269,300	1,249,244[1/]	60,241	219,246	8,898,012
% Total	46.1	36.7	14.0	.7	2.5	100.0
1967	3,832,875	3,180,800	1,092,304	109,616	141,619	8,357,214
% Total	45.9	38.0	13.1	1.3	1.7	100.0
1968	4,354,000	3,642,000	1,470,000	100,000	177,000	9,743,000
% Total	44.7	37.4	15.1	1.0	1.8	100.0
1969	4,165,246	3,464,317	1,206,059	91,902	222,856	9,150,380
% Total	45.5	37.9	13.2	1.0	2.4	100.0
1970	3,874,480	2,831,815	1,038,266	78,516	157,875	7,980,952
% Total	48.5	35.5	13.0	1.0	2.0	100.0
1971	4,229,962	3,196,524	1,340,130	87,086	173,969	9,027,671
% Total	46.9	35.4	14.8	1.0	1.9	100.0
1972	3,837,151	3,873,072	1,498,503	83,378	245,527	9,537,631
% Total	40.2	40.6	15.7	.9	2.6	100.0
1973	3,610,157	3,835,775	1,500,807	94,563	323,328	9,364,630
% Total	38.6	41.0	16.0	1.0	3.4	100.0
GRAND TOTAL	40,038,452	34,509,203	13,271,713	869,702	2,168,220	90,857,290
AVERAGE FOR PERIOD	4,003,845	3,450,920	1,327,171	86,970	216,822	9,085,729
PERCENTAGE	44.1	38.0	14.6	.9	2.4	100.0

1/ Includes 5,730,000 board feet from U. S. Army Corps of Engineers land.

NOTE: Data from Pacific Northwest Forest and Range Experiment Station, Portland, Oregon and Oregon State Forestry Department, Salem, Oregon.

TABLE 5

ROAD MONIES ALLOCATED TO REGION 6, U. S. FOREST SERVICE

1966-1975

Fiscal Year	Forest Development Road & Trail Appropriations	Road & Trail 10% Fund
1966	$23,608,962	$ 8,448,972
1967	18,087,536	10,269,468
1968	19,704,072	10,432,003
1969	16,737,802	12,496,797
1970	30,405,953	17,013,212
1971	30,373,014	16,129,878
1972	29,273,692	17,941,928
1973	44,600,000 1/	
1974	32,700,000 1/	
1975	39,700,000 1/	

1/ Includes total of Forest Development Road & Trail Appropriations and Road and Trail 10% Fund.

SOURCE: Division of Fiscal Control, U. S. Forest Service, Portland, Oregon

TABLE 6

TIMBER ACCESS ROAD CONSTRUCTION
REGION 6, U. S. FOREST SERVICE

1965-1974

Fiscal Year		Miles	Cost (Dollars)
1965	Purchaser Constructed	2,178.6	36,297,300.00
	Government Constructed 1/	315.2	12,273,504.00
1966	Purchaser Constructed	1,712.8	31,395,271.00
	Government Constructed 1/	216.8	21,512,219.00
1967	Purchaser Constructed	1,987.9	29,200,506.00
	Government Constructed 1/	255.2	18,688,219.00
1968	Purchaser Constructed	1,307.6	36,122,498.00
	Government Constructed 1/	158.3	19,750,635.00
1969	Purchaser Constructed	2,765.0	43,341,400.00
	Government Constructed 1/	109.4	19,382,017.67
1970	Purchaser Constructed	1,888.0	31,316,000.00
	Government Constructed 1/	231.4	20,964,000.00
1971	Purchaser Constructed	3,137.0	51,183,000.00
	Government Constructed 1/	101.2	10,178,000.00
1972	Purchaser Constructed	3,194.0	55,464,000.00
	Government Constructed 1/	185.7	12,973,000.00
1973	Purchaser Constructed	2,974.9	59,246,504.00
	Government Constructed 1/	329.2	11,864,329.00
1974	Purchaser Constructed	3,099.0	61,168,130.00
	Government Constructed 1/	6.6	3,186,793.00

1/ Forest development roads

SOURCE: Division of Engineering, U. S. Forest Service, Portland, Oregon

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
Washington, D. C. 20250

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COPY

MAY 10 1974

Mr. James Craine
Chairman, Subcommittee on Roads
National Forest Products Association
1619 Massachusetts Avenue, N.W.
Washington, D. C. 20036

Dear Jim:

It was agreed at our meeting with the Forest Road Committee in Portland on April 18-19 that the Forest Service would summarize the discussions, including any understandings reached, in a letter to you. We have attempted to do this for each of the agenda items. The summary has been discussed with John Hall of NFPA and reflects some suggestions from him. However, the committee may wish to comment on the summary in a response to this letter.

Mr. Russell McRorey for the Forest Service prefaced the discussion by reaffirming the value of the cooperative road construction program. He stated that over the last 10 years it has proven to be a good program of mutual benefit to the Government and the cooperator-landowners. Over $100,000,000 has been invested in the jointly-owned roads and this investment is growing by about $10,000,000 a year. He pointed out that it is necessary to keep in mind the basic objective of the program which is to provide access to intermingled private and public lands by cooperating in building a jointly-owned road system which serves the needs of both parties. At the same time it is necessary to recognize the need to update and modify the program to meet changing conditions. Mr. McRorey said the current review of the program by the Forest Service is intended to identify the "rough spots" and recommend ways in which the program and its administration could be improved. He emphasized that when the Forest Service reaches some conclusions as a result of this review, it will meet and discuss the issues with cooperators to jointly determine if there are ways to improve the program.

1. R-1 Cost-Share Road Analysis

Committee members asked to be brought up to date on status of Forest Service studies of the program, especially the Region One analysis made in 1973, and any further studies to be made as a result of the Forest Service San Francisco meeting with the Western Regions in March.

The committee was concerned that some Forest Service people are anticipating changes as a result of these studies and are not following the presently agreed to rules and procedures in negotiations and administration of the cooperative road program. There was concern that cooperators would not have an opportunity to make input on proposals for change until the proposals are so far developed as to make modification and final agreement difficult. The committee asked that steps be taken to assure that Forest Service people administering the program and negotiating agreements understand that, until they are changed, the current procedures are to be followed.

The Forest Service has previously reported to the committee in letters of October 9, 1973, and March 6, 1974, on the Region One analysis of the program and the results of the Forest Service March meeting in San Francisco. Copies of these letters are enclosed. No decisions have yet been made to propose any changes in the arrangements we have been working under. The inter-Regional task force organized as a result of the San Francisco meeting has been at work studying possible ways in which the program can be strengthened and some of the negotiating problems made less troublesome. All of the problem areas included in the agenda for the April meeting are being reviewed by the task force. The meeting discussions will be most helpful to the task force. The task force expects to submit its report within the next month. Its recommendations will be evaluated and decisions made on proposals that should be pursued further. At that time we will ask the committee to discuss these proposals with us. We may then agree on changes in the program.

Until these changes are agreed to both Forest Service and cooperators must administer the program and reach agreements under the current rules.

2. Limited Use Easements

The history of the proposal for limiting the Government's interest in certain cost-shared roads to commercial hauling, protection and administration by inclusion of limiting language in the easements was reviewed. The problem intended to be resolved has its origin in a Forest Service policy of planned closure of some roads to public use when the roads are surplus to needs for public access. Closure is used to enhance recreational enjoyment of the lands involved, reduce maintenance costs and help achieve other objectives in managing the affected lands and resources. When closure to public use is planned for a cost-shared road being negotiated, there has been disagreement over the estimate of recreation (public use) traffic which will use the road. The committee proposed two alternatives: (1) The Forest Service accept limited easements for cost-shared roads planned for

closure to public, or (2) The form of unlimited easements presently being used be modified by inclusion of a proviso that if the road is opened to public use the Government will bear an additional share of cost represented by this use. The committee offered to put these proposals in the form of a letter to the Forest Service.

Also discussed was the use of easements which exclude from the Government's interest the right to haul timber from certain specified areas which would otherwise be tributary to the road being cost-shared. In most instances the timber excluded would be in those presently unroaded areas selected for study for possible inclusion in the Wilderness system. There could also be other circumstances where the Forest Service does not want to acquire the right to haul timber that would otherwise be tributary to the road.

The Forest Service replied by saying the acceptance of limited easements for cost-shared roads planned for closure to public use is still under consideration. The alternatives proposed by the committee and the recommendations of the inter-Regional task force will be studied before a decision is made on a Forest Service proposal. As was said in Mr. McRorey's letter of March 6, 1974, for now the Forest Service expects to continue to exchange unlimited easements but will consider the limited use easement on a case by case basis.

In regard to accepting easements which exclude the right of the Government to haul certain tributary timber over the road, the Forest Service proposes this be done in those few cases where it is appropriate. The circumstances when this would be done and the limiting language to be used in the easements are described in the letters of December 6 and November 8, 1973, copies of which are enclosed. We did not hear any objections from the committee to this proposal.

3. A series of related cost-share issues were discussed:

a. Denial of Cooperator Access Pending Resolution of Roadless Study.

Committee members said that there have been some instances where access to private lands included in a roadless area that has been inventoried or actually selected for study as a possible addition to the Wilderness System has been denied. The denial of access (permission to build a road) was based on an understanding that the agreement by the Forest Service which resulted in dissolution of the Court Order in the Sierra Club suit prevents the Forest Service from permitting access until an Environmental Statement is prepared.

The Chief of the Forest Service has instructed field offices that Environmental Statements are not required by the agreement referred to above where statutory rights of access are involved whose exercise would not be precluded if the areas were designated as Wilderness. Access may be statutory even though the Forest Service may properly require that written authorization be obtained and may condition the manner of access. Even though not required by the agreement referred to, an Environmental Statement may nevertheless be required by NEPA itself, if a determination is made that issuing a permit to build the road is a major Federal action having a significant effect on the environment or is highly controversial. Also, the Forest Service itself may be precluded from development action in a roadless area such as cooperating with the applicant landowner in building the road. We will write to the field further clarifying our instructions on access to private lands included in inventoried roadless areas.

b. R-1 Land Use Grant Policy.

Some members of the committee were concerned that the policy as applied to the granting of access was being interpreted as a means of regulating activities on private land.

The Forest Service agrees that the granting of access is not to be conditioned on the use or manner of use of the private land or to be denied because of possible adverse effects on National Forest land from activities on the private land. There will be cases where access is not granted until the approvals required by State or local law for the use or activity requiring access are obtained. An example might be a recreation home subdivision. Region One will clarify its policy and take any needed action to assure that it is correctly understood by those who act on applications for access.

c. Timber Volume Exclusion and Manual Language For and Use of Collection Right.

This is the proposal by the Forest Service, in some circumstances, to take limited easements which would not include the right to haul timber over the road from specified areas which would otherwise be tributary to the roads. The timber excluded would be from areas under study for Wilderness classification or possibly other areas where there is doubt whether the timber will be harvested because of terrain or soils problems.

This proposal was discussed under agenda item 2, Limited Easements. The letters on this subject which are enclosed explain the proposal in greater detail and discuss its relation to the "outside timber collection right".

d. Opening Existing Agreements to Bring in Outside Areas and Parties.

The problem discussed is the treatment of a cooperator in one road system who wishes to become a cooperator and joint owner in an adjacent road system cooperatively developed and owned by the Government and another cooperator. The result would be a three party agreement for the second road system and the first cooperator would be able to move his timber over either system.

The Forest Service is unable to make a definitive response on the hypothetical situation or on the specific case which gave rise to the agenda item. When there are several third party landowners in an area served by a cooperative road system whose share of the road investment was assumed by the Government in cost sharing the system with the cooperator, the usual practice is for the Forest Service to issue third parties road use permits and recover the appropriate share of investment made on their behalf by charges for their use within the area served by the road. However, the specific case presented is not analogous to the usual situation. The area and timber in question lies outside the area considered in cost sharing the existing road system. As pointed out by several members of the committee the cost recovery method is not entirely equitable in the case under discussion. We wish to give more thought to this problem before taking a position on the issue.

e. Permits to Use Existing Roads Pending Completion of Supplements.

Some cooperators have reported that obtaining permission to use existing Forest Service roads in an agreement area pending completion of an agreement supplement has been difficult. In some cases the Forest Service has required the cooperator to pay cost recovery fees which were later supplied to the cooperator's share as determined in the agreement supplement.

This matter of emergency use of existing roads pending completion of cost sharing negotiations and execution of a supplement was discussed in our meeting with the committee in May 1969. In summarizing that meeting in a letter to the committee dated June 19, 1969, we said in part.

> "Usually it should be possible to complete negotiations and write a supplement with the information that is available or can be obtained within a short period. In those few cases, where time is too short and an emergency need exists, we would agree to the interim use of the road by the cooperator while the supplement was being prepared. There would have to be arrangements for the cooperator to bear his proportionate share of maintenance but no requirement for collateral or cost recovery during the interim period."

The form of permission was not discussed at the 1969 meeting. Generally, a Road Use Permit has been used. The clauses relating to cost recovery, reconstruction instead of payment of a cost recovery charge, and bonds are deleted. The permit is then simply permission to use the road without cost except for proportionate maintenance. The "Class A" permit is issued for construction of a road by the cooperator in similar circumstances; i.e., agreement on the location, plans and specifications of a road to be cost shared but insufficient time to reach agreement on cost sharing and to write the supplement. The "Class A" permit is not an appropriate form for granting permission to use an existing road.

Both Forest Service and cooperator participants in the meeting reconfirmed the mutual objective that there should seldom be occasion to use these emergency devices if both parties keep their planning far enough ahead and keep each other fully advised of these plans. Some committee members said the Forest Service was making as much if not more use of these emergency devices than cooperators. Regional Foresters will be asked to investigate this aspect of the program and take any necessary action to assure that requests for emergency access from cooperators are kept to a minimum.

f. Minimum Share for Cost Sharing.

The committee requested reaffirmation of Forest Service policy to agree to cooperative development and cost sharing of a road with a major landowner who is cooperating in all roads which serve his lands even though in the particular case the cooperator's share is very small.

This policy still is in effect. It may, however, be involved in proposals for modifications in the program which result from the studies now going on. Any such proposals will, of course, be discussed with the committee.

g. Provision for Forest Service Paying or Doing Its Share of Costs.

There was discussion of the need to keep the respective parties investments reasonably in balance and the means for doing this.

The Forest Service takes the position that excess cost balances should be kept to a minimum within each agreement area through off-setting construction and payments on collection rights. If there is only one agreement with a cooperator there is no other alternative. When there is more than one agreement with a cooperator there is the further possibility of transfer of excess cost balances from one agreement to another. It is not material whether the transfers are actually made or simply that all excess cost balances with a cooperator are taken into account in considering the need for measures to bring

investments into balance. In any event it is important that each Forest, and each Region when the cooperator has agreements on more than one Forest, keep currently informed on the status of excess cost balances with that cooperator and take steps to reduce imbalances that do develop. In a very few instances a cooperator has agreements in two Forest Service Regions. With these cooperators it is necessary for the affected Regions to be informed of the situation in the other Region.

Both parties have an obligation to actively manage the balances by utilizing all methods for offsetting excess costs that are available under the agreement.

4. Highway Safety Specifications Relative to Forest Service Cost-Share Agreements

The Forest Service reported on the implementation of the Highway Safety Act and DOT regulations as applied to Forest Development Roads including cooperative roads. The letter from E. C. Neumann to M. R. Howlett, Director of Division of Engineering, dated January 18, 1974, copy enclosed, includes most of what was reported. The Forest Service emphasized that it does not intend to adopt design standards in excess of that necessary for the continued safe and efficient use by the anticipated traffic. Because it has been Forest Service policy to design roads for safe use giving appropriate consideration to the purpose of the road, anticipated traffic volume and operating speed, we do not anticipate any material change in design standards. In regard to cost sharing, the Forest Service does not intend to ask cooperators to share in any costs resulting from implementation of the standards except those affecting the design and construction of the road under standard 12 and traffic control devices (signing) under standard 13. Roads which are not open to public use are not subject to the Highway Safety Standards.

Under this agenda item there was some discussion of traffic control measures by the Forest Service on cooperative roads. The Forest Service has been slow to regulate traffic on Forest Development Roads, including cooperative roads where the cooperators use is subject to such traffic control rules as may be reasonably imposed on other users and which will not reduce the rights of the cooperator. More attention will be given to redeeming our traffic control responsibilities especially in (1) speed control, (2) size, weight and length of vehicles and loads, and (3) closures or limitations on use to prevent road damage. The discussion centered around control measures to prevent damage to the road. Committee members expressed the view that damaging use is allowable since the responsible party is required to repair any damage resulting from his use. The Forest Service position is that neither party can make damaging use of the road as a matter of right under the easements. However, by agreement the road may be used in a way or at a time when damage will occur with provision for repair by the responsible party.

5. Standards and Uniform Specifications Relative to Forest Service Cost-Share Agreements

The committee's principal concern was that there has been a lack of consultation between the Forest Service and cooperators in deciding on the standard of road needed and in the development of plans and specifications. Too often, it was said, the cooperators are presented with a completed package of location, plans and specifications. Too often the Forest Service takes the same approach to developing plans that it would take with a road that is not a jointly-owned road. There was a plea for early exchange of information on road needs followed by consultation and cooperation from reconnaissance through completion of plans and specifications.

The Forest Service agrees with the committee in its view of the importance of cooperation and joint development from planning the system to final agreement on the road to be built. The Forest Service will emphasize the need to work more closely with the cooperator in this area and the difficulties in making the program work if we do not.

Use of the Uniform Specifications for purchaser road construction to describe the work in constructing a cooperative road was discussed. The Forest Service pointed out that these specifications provide a range of options for the various construction items. By choosing from among the specifications and, in combination with the road plans, any road can be described from the most minor spur to a double-lane main haul. The Uniform Specifications provide a common language for describing work. Since they were developed with the help of the forest products industry and will be widely used, the terminology and the individual specifications should soon be well understood. It would seem logical that the Uniform Specifications would serve very well to describe the agreed-to construction and avoid the need to develop separate specifications in each case. The Standard Uniform Specifications may also be supplemented to cover unusual job requirements.

It is recognized that road location, road design and plans, construction specifications and all elements which define the road to be built must be jointly determined and agreed to by the parties.

6. Exclusion of Engineering and Overhead Costs

The committee recognized that two issues are involved. First, it is necessary to do the engineering that will define, to both partys' satisfaction, the road to be built. This means survey and design, preparation of plans and specifications, construction staking and the necessary construction supervision and inspection to assure the road is built as planned and agreed to. The degree and refinement of engineering needed will vary depending on the standard of road,

terrain and soil conditions, and other factors. The partys must agree on the engineering needed and this has not always been easy. Generally, cooperators have complained of over-engineering by the Forest Service and the Forest Service has thought the engineering has not always been adequate.

The second issue is the cost of engineering services and how these costs should be shared. Current practice calls for these costs to be included in the costs to be shared and credited to the party which incurs them or, as an alternative, ignored in the cost sharing if offset by each party doing its proportionate share of the work. The committee suggested that when the cooperator and the Forest Service are doing engineering in about the same proportion as the cost sharing over the long term, engineering costs should be absorbed and not be included in the costs to be shared. However, when the Forest Service is doing most of the engineering these costs should be included and shared provided the cost allowances for similar work are the same regardless of which party is doing the work.

The handling of engineering costs is one of the items being studied by the inter-Regional task force. The Forest Service agrees the current practice should continue until a different arrangement is agreed to. At that time we will only point out that if engineering cost allowances are the same for either party for the engineering agreed to be needed, inclusion of engineering costs in the costs to be shared will be equitable regardless of any imbalance in the proportions of work done.

7. a. Forest Service Timber Purchaser Delays in Construction of Cooperative Roads.

This problem arises when the Government is to construct a cost-shared road with actual performance by a timber sale purchaser under his sale contract. If the cooperator has planned operations dependent on use of the road by a certain time and the purchaser does not complete the road by that time the cooperator's schedule is disrupted and financial losses may be incurred. Occasionally the sale may not be made at the time scheduled when the supplement was written.

The Forest Service recognizes that there can be a problem for the cooperator in the circumstances described. Since most Government construction is by timber purchasers, the timing of construction in relation to the cooperator's need to use the road deserves attention to measures which will alleviate the problem. We believe the more restrictive timber sale contract extension policy which applies to

sales made after July 1, 1971, is a help. Other measures which will be taken by the Forest Service in connection with its timber sales requiring purchaser construction of cooperative roads include:

1. If a sale is not made when intended at the time the agreement supplement was written there should be prompt consultation with the cooperator on the need to amend the supplement to provide for cooperator construction.

2. There should be a clear understanding between the parties when the supplement is written as to the terms of the proposed sale contract affecting timing of construction by the purchaser.

3. In addition to the usual considerations in setting expiration date of sales, the need of the cooperator to use the road should also be taken into account.

4. By keeping the other party informed as to logging and road construction plans several years in advance and working together in developing these plans, it should be possible to avoid scheduling operations requiring use of a road too close to its scheduled construction.

5. The Forest Service will develop a sale clause and instructions for its use which will provide for construction by the cooperator if the purchaser fails to construct by a specified time. This is the second alternative suggested in your letter to Mr. McRorey of April 11, 1974, copy enclosed.

b. Reconstruction.

The committee said the Forest Service continues to take a unilateral approach to reconstruction of jointly-owned roads. Too often the cooperator is asked to cost share in a reconstruction project he has had no part in developing. In some cases the Forest Service has proceeded unilaterally with reconstruction without notifying the cooperator or asking for cost sharing. Proposals for reconstruction are often not well supported by an analysis of traffic management alternatives and investment economics. It was said a particular weakness of Forest Service cost-benefit analysis is use of discount rates which do not reflect present day cost of money.

The committee also said that there have been occasions when the Forest Service made reconstruction proposals or proceeded unilaterally with reconstruction projects which the cooperator believed would make the road less useful to him or even diminish his rights in the road. An example was cited where paving a road prevented winter hauling because of safety reasons. Another example was the paving of a road over which the cooperator held off-highway haul rights; the pavement was designed to support only highway loads.

The Forest Service position is identical with that of the committee in regard to how reconstruction of cooperative roads should be approached. Reconstruction of a cost-shared road requires the same kind of consultation, joint development of proposals and agreement on the project and cost sharing as would be required for construction of a cost-shared road. In addition there is special need to carefully consider the traffic management alternatives to reconstruction and to analyze the benefits and costs of the project. Reconstruction which would diminish the cooperator's rights in a jointly-owned road cannot be done without his consent even though he does not agree to share in costs. We do not think there are any differences between the committee and Forest Service positions on these questions. To the extent we have not followed proper practice we need to improve our performance. We were especially glad to hear that the committee agrees that there is often a need for reconstruction of existing cost-shared roads and that the cooperator should share in the reconstruction if there is a convincing showing that there is a need and the economics warrant the investment.

c. NEPA and Land Use Delays.

The committee feels the Forest needs to pay special attention to problems caused for the cooperators by NEPA requirements. There needs to be a clearer definition of when Environmental Statements are required and more uniform interpretation among field units. A cooperator must be kept advised of NEPA decisions and the time required for processing Environmental Statements affecting him. More effort needs to be made to prepare Environmental Statements on broader programs or proposals such as a unit management plan or a five-year sales program to avoid having to prepare separate statements for individual projects at a time when delay of the project is inevitable.

The Forest Service takes note of the complaint. We feel the real problem is in firming up our plans (land use plans, transportation system plans and timber sales programs), so that NEPA and other public involvement requirements can be met without delaying decisions and agreement on the cooperative road program. In addition, the cooperator and Forest Service must do a better job of keeping each other informed of planned operations requiring construction of cooperative roads. When the Forest Service cannot cooperate because it has not firmed up its own plans or because of NEPA requirements, it should allow the cooperator to go ahead on his own. Even then, the granting of an easement or issuance of a permit for construction of a road may be an action requiring the preparation and filing of an Environmental Statement.

Proposed Road Maintenance Agreement

The Forest Service presented an overview of the past efforts of the committee and Forest Service to develop a mutually acceptable agreement to cover the planning, performance, and cost-sharing of maintenance on joint-ownership roads. The Forest Service also identified those significant points where there had been substantial agreement with the committee concerning the principles of maintenance planning and cost-sharing as well as essential points that had not been fully resolved in earlier discussions. The Forest Service stated that the March 1974 draft gave full consideration to the earlier viewpoints of industry and that the present draft was developed on the premise that:

- The agreement must be sufficiently flexible to satisfy varied conditions and local arrangements for planning, performing, and sharing of maintenance.

- The agreement should be broad and generally limited to a statement of definitions and the principles of cost-sharing various maintenance activities.

- The agreement should provide flexibility and options at the local operating level in developing annual maintenance work plans.

- The agreement should provide for formulating subsidiary unstructured agreements to cover a logical grouping of roads within one or more Road Construction and Use Agreement Areas.

- Work performance and cost accounting requirements should be limited to that necessary to maintain an equitable basis of sharing work and cost, but also provide for agreed-to adjustments.

- The agreement should minimize the need for performance guarantees.

The Forest Service reviewed the current development and implementation of a maintenance planning and management system which embodied the principles of cooperative maintenance as expressed in the draft of the Road Maintenance Agreement. It was also emphasized that the Forest Service intends to bring together into a single management system all of its inter-related road maintenance activities, regardless of the method of work performance.

The March 1974 agreement draft was reviewed with committee representatives and they provided constructive recommendations for improvement. These are summarized as follows:

- The terms "recurrent" and "deferred" maintenance need to be better defined in relation to the terms "traffic generated" and "non-traffic generated" maintenance.

- The agreement should recognize that it may not be necessary or desirable to maintain and preserve roads in a condition of serviceability comparable to the condition achieved upon completion of their construction or reconstruction, but rather should be maintained and preserved commensurate with anticipated future traffic service requirements of both parties.

- There is a need to consider other alternatives as a basis for sharing non-traffic generated maintenance.

- There is a need to provide for setting aside deferred maintenance work when the parties agree that the work is unnecessary for future traffic requirements.

- The agreement should provide for each party assuming its own overhead costs, nor should deposited cooperator funds be assessed for indirect overhead expenses.

The Forest Service agreed to give each of these recommendations consideration in redrafting the agreement. It was further agreed that the committee would furnish additional comments and recommendations on the agreement draft by June 1, 1974, after which the Forest Service and committee would meet together to review a second draft.

The Forest Service emphasized that there was a compelling need to reach an early understanding on general principles for maintenance operations on joint-ownership roads, and that these maintenance operations cannot be effectively planned and managed unless they are made an integral part of a total maintenance management system.

The meeting was useful in several respects. Belief in the value of the program and its workability was confirmed. A number of issues were discussed in considerable detail and a basis laid for their resolution. The need to work together under the existing rules and procedures until they are changed by agreement was reconfirmed. It is evident that meetings of this nature need to be held on a regular basis, perhaps annually, if we are to avoid some of the problems that have developed.

Sincerely,

Associate Deputy Chief

Enclosures

Statement of Richard G. Bennett
Bennett Lumber Products
on
National Forest Transportation System
before
Senate Committee on Public Works
July 14, 1975, Washington, D.C.

Mr. Chairman, and members of the committee, I wish to thank you for the opportunity to discuss problems evident in the forest products industry. My name is Richard G. Bennett. I am Executive Vice President of Bennett Lumber Products located in Northern Idaho and Eastern Washington. While speaking for my own company, I also endorse the following remarks as the current president of the National Association of Independent Lumbermen. Although in recent months, the recession has slowed drastically construction starts, and has plagued our mills with many unproductive months, those of us who are optimistic feel that in future years the housing market will again show vitality.

In view of those future years as the demand for lumber increases, the single, most common talked about problem is our national timber supply. Or in more appropriate terminology, the availability of that supply.

There are many reasons why the availability of federal timber for our mills is waning - none of which seem to be the lack of trees. In fact, our national forests have healthy inventories of unharvested trees. The availability of these inventories has decreased for many reasons. Currently however, the primary reason is due to the many deficit timber sales being offered by the Forest Service. A deficit timber sale is one in which the value of the lumber cut from the trees is less than the costs of removing and manufacturing the boards. Because of this, industry cannot afford to bid these sales without taking a large risk, that the future prices for lumber will be high enough to offset the high costs associated with contractual requirements. The net result is that many of fiscal year 1975's timber sales

have not been purchased by industry, thus shortening drastically our supply of federal timber.

There are many reasons why these timber sales are in deficit. However, I have chosen to speak today about only one. In my opinion, it is the most important contributing factor to a deficit sale. And, that is high costs associated with the over designing of timber haul roads within the timber contract. Basically, there are two ways that roads needed to remove timber are secured. 1) A road is designed by the Forest Service and let out to contract, using appropriated funds from Congress. The award goes to the low bidder and he constructs the road. In this system, on a road estimated to cost a hundred thousand dollars, a builder would be paid at the end of each month on work performed plus invoice material on the job, less ten percent which is withheld for payment at the end of the job. 2) Roads are also built by timber purchasers under a system, which in effect, reduces the price of the timber. It is to this aspect of securing roads that I address my comments. In 1972, funds appropriated by Congress to construct the roads amounted to $110,500,000. This year that figure is reduced to $11,500,000 - a decrease of ninety-one percent.

The reason is, that the road building responsibility has been shifted to the timber purchaser using stumpage values to fund the construction. The dollar amount of timber purchaser road credits has increased from $116,800,000 in 1972 to $210,000,000 currently. This is an increase of eighty percent.

There are many problems for our industry, and the Forest Service as well, when access roads are built using stumpage values.

For instance, Region 1 is plagued with much disease affecting our timber

lands. Therefore, there is a need for an intensified, quick entry, low cost road system to permit salvage cutting.

The problem is two-fold. First, the road systems are extremely costly when low grade salvage timber is used to support the construction. And second, many areas in need of salvage cutting, are areas previously logged five to fifty years ago. Therefore, road moneys are being used to gold plate all ready existing transportation systems. Because of this, access to undeveloped areas is arrested. And, in many of our undeveloped areas we are losing millions of board feet of timber each year to disease and fire. These areas remain undeveloped until money can be appropriated to build roads. And, as you can see, the roads built by the Forest Service with hard money have declined drastically in the past several years.

Along with the tremendous shift of the funding burden for roads, the designs of these roads have eclipsed good sense. Public Law 88-657 states that the timber purchaser shall bear no more expense in the building of timber access roads than what is necessary to remove the timber. Yet, current road designs follow specifications of HS-20 federal highway systems. These include, layer placement and compaction of sub grades, terraced cut slopes, elaborate drainage systems including bridges, multi-plate arches and rocked ditches. Common surface requirements include a foot of crushed rock - layer placed and compacted with vibratory rollers, two or three coats of oil and recently, asphalt pavement. And, in our area, these roads are gated and locked admitting no traffic after timber is removed. The end result is that we have seen road costs soar to fifty to sixty dollars per thousand board feet from ten to fifteen dollars per thousand board feet in only a few short years. Road

costs therefore have been the single most cost contributer to current deficit sales. The economic problem is expanded further when the costs allowed to industry for road building are histories of costs collected by the Forest Service of prior year's road construction. It takes usually two to three years to complete the roads for a timber sale. Industry is allowed costs for construction that are several years old. Therefore, industry has to directly bear the costs of inflation. Note also, that when these roads take two or three years to build, the timber purchaser cannot remove any timber until the roads are completed. This creates a tremendous delay in the flow of timber from our forests to the mills.

A study was made recently of roads built in Region 1 comparing the actual costs experienced by industry and those allowed by the Forest Service. The result was that in the past two years industry has had an average of thirty-nine percent additional cost over what they were allowed by the Forest Service. Industry therefore, has been directly funding part of the costs to build Forest Service road systems.

Lastly, the economic crunch of deficit sales expands further than to just the Forest Products industry. The intensity of deficit sales is being experienced by the counties. With the receipts for timber values being eaten up these past years by the costs associated with over designed road systems, the moneys to the counties have decreased drastically. This past calendar year, our Latah county in North Idaho received 70 percent less federal timber moneys than in the prior year. And, the sales purchased in our area this year will return no moneys to the counties. Again, Mr. Chairman, this is because these sales are in deficit.

In conclusion and pursuant to this committee's short and longe range funding goals, I would like to suggest the following:

1) That your committee study seriously the monitary impact of over designing Forest Service road systems to (a) the industry who builds them, (b) to the counties who are losing their revenues, and c) most of all to the American taxpayer. And, that the committee instruct the Forest Service to design their timber access roads within the spirit and intent of Public Law 88-657, and
2) where roads are built by the purchaser using cost allowances from the Forest Service, based on outdated histories, see that industry is paid for their actual costs including inflation. And most important,
3) do what is possible to remove the responsibility of road building from the timber sale purchaser to that of hard money contracts.

This will require directly appropriated funds from Congress, earmarked for road contracting in our National Forests. Also, I urge this committee to instruct the Forest Service to use any future appropriated road moneys to reduce the deficits in their sales to a minimum before those moneys are spent for other construction.

This would greatly reduce the impact of deficit sales. The counties would receive their rightful share of the timber receipts. Also, timber availability would increase because roads could be built in undeveloped areas far in advance of offered timber sales. I appreciate this opportunity to speak and solicit your questions. Thank you.

#6480

WESTERN TIMBER ASSOCIATION

FILE
2.6722

SUTTER STREET, SAN FRANCISCO, CALIFORNIA 94102

July 9
1975

Statement to Senate Public Works Committee on National Forest Development Roads, Washington, D. C.
July 14, 1975.

Mr. Chairman and Members of the Committee:

I am George A. Craig, Executive Vice President of Western Timber Association, San Francisco. Our members process about 90 percent of the National Forest timber sold in California.

My testimony will concentrate on violations of PL 88-657 and excessive surfacing requirements. Others have or will address the problems of inadequate funding for roads, effects on Federal and county receipts, failure to salvage timber mortality, effects of inadequate access on timber harvest and management, deficit timber sales, inappropriate road standards, excessive treatment of clearing materials, etc. Such issues are all important in California. It will be evident that they are interrelated.

Forest Service authority to construct a system of National Forest roads comes from Public Law 88-657, enacted October 13, 1964. (A copy is attached.) Some of us here today testified to this Committee 12 years ago in support of such legislation.

CONGRESS INTENDED NO ABUSES

We were concerned however that the road construction requirements that would be placed on timber purchasers would be abusive of both the purchasers and the counties. That concern has proven to be justified, even though the Congress amended the original bill to guard against excessive requirements and the legislative history clearly shows such Congressional intent.

The House Committee on Public Works stated (House of Representatives Report No. 1920, 88th Congress, 2d Session):

> "... The Forest Service sought authority by section 4 of the bill as initially introduced, both in the House and the Senate, to charge against timber in a particular sale the full cost of a road built to standards which would satisfy anticipated use for all subsequent timber sales, and not just the initial sale.
>
> "The amendment to section 4 adopted by the Senate and included in the reported bill makes it clear that purchasers of national forest timber and other forest products will not be required to pay out of their own funds more than the cost of the standard of road needed in the harvesting and removal of the timber and other products covered by the particular sale. Where the sale contract calls for the construction of a higher standard road, that part of the cost necessary to meet such higher standard will be borne by other than the purchaser. The amendment adopted by the Senate also makes it clear that such requirements will not have the effect of reducing the 25 percent of national forest receipts paid annually to the States to be expended for roads and schools for the benefit of the counties in which the national forests are located."

CHANGED REQUIREMENTS

There has been considerable change in construction requirements for timber purchasers since the enactment of P.L. 88-657. From the purchasers' and counties' standpoint, the best indicator of the change is the road cost per thousand board feet (MBF) of timber purchased. Any such comparison must recognize the effects of inflation. The following California road cost data from Forest Service records are compared with changes in the construction cost index published by Engineering News-Record, using calendar year 1964 as a base:

	CY 1964	FY 1969	FY 1974
Construction Cost index	100	130	207
Road Costs per MBF, $	4.41	6.84	18.05
Road Costs as an index	100	155	409

Comparable National figures for FY 1969 and FY 1974 are $6.29 and $11.93, respectively.

These costs include increasing proportions of road reconstruction over the years, as compared to new construction. For example, prospectuses for timber sale offerings in California for FY 1967 through FY 1970 had the following data:

	FY 1967	FY 1968	FY 1969	FY 1970
Number of offerings	154	159	154	163
Total volume, MMBF, involved	1,819.4	1,819.5	1,865.5	1,994.2
Miles of construction and reconstruction	920	1,027	1,260	1,480
Total cost (Purchaser Credit)*, $1,000	8,710	9,878	12,923	18,165
Average cost per mile, all roads, $	9,470	9,620	10,260	12,270
Average cost per MBF, all roads, $	4.79	5.43	6.93	9.19
Millions of board feet per mile construction	1.98	1.77	1.48	1.35
New Construction				
Number of miles	634	614	690	792
Total cost (Purchaser Credit)*, $1,000	7,724	8,449	9,977	13,505
Cost per mile, $	12,180	13,760	14,460	17,040
Reconstruction				
Number of miles	286	390	560	681
Total cost (Purchaser Credit)*, $1,000	986	1,341	2,843	4,645
Cost per mile, $	3,450	3,440	5,080	6,820

*Without allowance for profit, risk, interest, and income taxes.

Please note the average estimated cost per mile for all types of road work in 1970 was $12,270. Four years later it had risen to $21,953, according to data in the Chief's annual report.

ROAD SURFACING REQUIREMENTS GREAT

Most of the reconstruction cost in National Forests in recent years has resulted from Forest Service road surfacing requirements. While industry has not taken the position that all surfacing requirements have been improper, there have been many instances where the requirements have been excessive. The Forest Service policy is to get most of its permanent roads rocked or paved. Such work is supposed to be justified with an economic analysis. The latter often includes questionable assumptions, such as (1) surfacing will permit a longer hauling season in areas where snowfall usually is the controlling factor or (2) maintenance cost will be reduced.

A number of specific examples could be given of excessive surfacing requirements. Three may indicate the reasons for our concern. The Diamond Timber Sale (June 10, 1975) on the Plumas National Forest has two main roads that were constructed prior to 1950 and have been used without substantial resource damage. However, the Forest Service is requiring $176,148 of reconstruction on 4.3 miles. Crushed rock surfacing ($93,252), dust abatement ($12,766) and cold bituminous plant mix for county road approaches ($2,622) comprise $108,640 of the total reconstruction cost. Another $16,621 of timber receipts are being diverted to reconstruct 1,088 feet of a road to a log scaling ramp, including $14,500 for application of hot bituminous plant mix.

The Upper Chiquito Timber Sale on the Sierra National Forest included road costs of $373,000 or $43.40 per MBF. This sale was deficit by $175,816 when offered in December 1974. One cost element was $43,417 for paving 1.2 miles of road that has served well with a surface of dust oil on rock.

The Rice Timber Sale on the Tahoe National Forest includes a requirement that the purchaser do $323,000 of resurfacing on 6.8 miles of road that has been used successfully by substantial recreation traffic and to haul about 10 million board feet each of the past five years. The road was chip sealed within the past two years. The sale was deficit by $313,000 when offered for bids on May 22, 1975. An alternative road in good condition, maintained by a lumber company without cost to the government, is shown on the sale area map as unsuitable for hauling without reconstruction. The Forest Service justifies the $323,000 expenditure by an anticipated reduction in maintenance cost estimated at $30,000 per year. We would have to assume no reconstruction would be necessary for 20 years, and an interest rate of 7 percent to have the present worth of the series of $30,000 future annual savings approximate the initial outlay.

VIOLATIONS OF PUBLIC LAW 88-657

Placing such requirements on timber does violate Section 4 of P.L. 88-657, in our view. Timber purchasers are required to bear costs that should not be necessary to the removal of the timber in the specific sale. The counties suffer less income.

We have also complained to the Forest Service orally and in writing that they are in violation of Section 6, when they require individual timber sales to bear more than a proportionate share of reconstruction. The law says that users of roads under the control of the Forest Service may be required to reconstruct such roads when such reconstruction is necessary to accommodate the use.

The report on the 1963 hearings before the Senate Subcommittee on Public Roads regarding S.1147 which became P.L. 88-657 include a July 30, 1963 letter from Acting Secretary of Agriculture Charles Murphy discussing the intent of the proposed law. Near the end of the letter, on page 120 of the report, there is this statement:

> "... Also if road reconstruction becomes necessary in order to continue present use by two or more users the cost of such reconstruction should be shared by such users in proper proportion. This would be the result under the present language of section 6."

We believe that this applies to most of the road surfacing efforts in California and other National Forests.

This intent is not being met. The Forest Service and the industry have spent considerable joint effort to develop a vehicle equivalency approach to calculating shares under road cost-share agreements for intermingled private and National Forest lands. We believe this approach is the best yet developed. It represents the agreement of knowledgeable people representing different interests. It is an appropriate device for charging road costs to individual sales. The proration of reconstruction costs, particularly where there is no increase in the commercial haul share, should be based on a 20-year life for the road and recognize the anticipated increase in non-commercial public use (recreation, etc.) as well as future timber hauling.

Such a reasonable approach is not used. One 1972 Brush Timber Sale in the Sierra National Forest illustrates the point. The purchaser was to be responsible for $292,475 for road work, including $183,383 for reconstruction of 2.4 miles of 2-lane road. The total cost of this reconstruction on near-flat ground was estimated at $274,157. The government was to pay $90,774, leaving about two-thirds of the cost to the purchaser of theBrush Timber Sale. The $183,383 was to be an advance deposit to the Forest Service from the contract holder. The share was determined by an axel loading analysis. The sharing was later modified to a 55 percent purchaser-45 percent government proration. If the proration were made on a vehicle equivalency basis, the purchaser's share would have been reduced to 12½ percent according to the Forest Service.

PURCHASERS' DILEMMA

The industry has been in a difficult position. While we believe the Forest Service's requirements can be challenged as violations of law, the inadequate budget for construction of National Forest roads would make such a challenge self defeating. Success in the courts would lead at best to a disruption of an orderly timber sale program, because needed roads would not be built.

We have testified for many years in favor of better funding for National Forest Roads. Such funds are necessary if needed roads are to be built and the Forest Service is to get into conformance with the law.

We would greatly appreciate Congressional action to meet this problem, perhaps in response to the Forest and Rangeland Renewable Resources Planning Act of 1974. The present situation is intolerable and getting worse.

Some recent deficit timber offerings in California National Forests are shown in the attached table. They illustrate the burden being placed on timber purchasers.

STOP REQUIRED SUBSIDIZATION

The Chief of the Forest Service reported that the Forest Service constructed or reconstructed only 35.3 miles of road in FY 1974 while timber purchasers constructed or reconstructed 7,201.3 miles at a cost of $130,589,100. Oregon, California and Washington had two-thirds of the mileage of work at three-fourths of the total cost. Timber revenue was reduced for purchaser road construction in that year by $48,350,500 in Oregon, $34,665,400 in California and $13,843,200 in Washington. Other states with large amounts of purchaser construction include Alaska ($6,968,000), Idaho ($6,190,800) and Montana ($7,201,300). The same report shows 1974 visitor days of mechanized recreation travel in the National Forests were 11,772,400 in California, 3,447,000 in Oregon and 2,610,000 in Washington.

It is time to stop the required subsidization of recreation and other uses by timber purchasers.

Thank you for your consideration.

# # #

EXAMPLES OF CALIFORNIA TIMBER SALES
THAT WERE DEFICIT WHEN OFFERED.

Timber Sale	National Forest	Road Cost Total	Road Cost Per MBF	Deficit
Allium	Tahoe	$ 117,002	$ 21.67	$ 129,600
Ash Creek	Klamath	492,828	18.67	990,792
Badger Basin	Klamath	341,805	32.87	5,715
Big Hill	Plumas	245,860	26.09	41,175
Bone-Chute	Sequoia	432,362	46.49	304,992
Camp 14	Plumas	1,145,245	41.20	368,276
Cinder	Shasta-Trinity	781,616	28.32	1,221,852
Coal	Modoc	309,691	32.95	56,233
Cold Springs	Klamath	103,661	21.60	94,616
Crawford	Klamath	295,635	10.95	292,489
Damnation	Shasta-Trinity	139,536	46.51	78,052
Double Gate	Six Rivers	760,228	23.39	561,629
Empire	Klamath	273,693	16.39	278,076
Freeman	Plumas	653,522	22.93	441,772
Hoist	Sequoia	209,825	23.58	347,398
Iron Canyon	Shasta-Trinity	369,222	36.92	396,600
Jones	Shasta-Trinity	208,128	45.25	212,382
Little Grizzly	Plumas	227,270	25.31	517,628
Long Springs	Mendocino	283,158	21.13	142,710
Pinoli	Tahoe	479,904	47.05	623,214
Primrose	Tahoe	1,394,300	38.85	1,394,300+
Shirley	Sequoia	256,492	32.06	351,074
V-Springs	Shasta-Trinity	185,231	26.46	134,182

National Forest Roads and Trails Systems Act

• *Act of October 13, 1964 (78 Stat. 1089; 16 U.S.C. 532-538)*

Sec. 1. The Congress hereby finds and declares that the construction and maintenance of an adequate system of roads and trails within and near the national forests and other lands administered by the Forest Service is essential if increasing demands for timber, recreation, and other uses of such lands are to be met; that the existence of such a system would have the effect, among other things, of increasing the value of timber and other resources tributary to such roads; and that such a system is essential to enable the Secretary of Agriculture (hereinafter called the Secretary) to provide for intensive use, protection, development, and management of these lands under principles of multiple use and sustained yield of products and services. (16 U.S.C. 532)

Sec. 2. The Secretary is authorized, under such regulations as he may prescribe, subject to the provisions of this Act, to grant permanent or temporary easements for specified periods or otherwise for road rights-of-way (1) over national forest lands and other lands administered by the Forest Service, and (2) over any other related lands with respect to which the Department of Agriculture has rights under the terms of the grant to it. (16 U.S.C. 533)

Sec. 3. An easement granted under this Act may be terminated by consent of the owner of the easement, by condemnation, or after a five year period of nonuse the Secretary may, if he finds the owner has abandoned the easement, make a determination to cancel it. Before the Secretary may cancel an easement for nonuse the owner of such easement must be notified of the determination to cancel and be given, upon his request made within sixty days after receipt of the notice, a hearing in accordance with such rules and regulations as may be issued by the Secretary. (16 U.S.C. 534)

Sec. 4. The Secretary is authorized to provide for the acquisition, construction, and maintenance of forest development roads within and near the national forests and other lands administered by the Forest Service in locations and according to specifications which will permit maximum economy in harvesting timber from such lands tributary to such roads and at the same time meet the requirements for protection, development, and management thereof, and for utilization of the other resources thereof. Financing of such roads may be accomplished (1) by the Secretary utilizing appropriated funds, (2) by requirements on purchasers of national forest timber and other products, including provisions for amortization of road costs in contracts, (3) by cooperative financing with other public agencies and with private agencies or persons, or (4) by a combination of these methods: *Provided*, That where roads of a higher standard than that needed in the harvesting and removal of the timber and other products covered by the particular sale are to be constructed the purchaser of the national forest timber and other products shall not be required to bear that part of the costs necessary to meet such higher standard, and the Secretary is authorized to make such arrangements to this end as may be appropriate. (16 U.S.C. 535)

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Sec. 5. Copies of all instruments affecting permanent interests in land executed pursuant to this Act shall be recorded in each county where the lands are located. Copies of all instruments affecting interests in lands reserved from the public domain shall be furnished to the Secretary of the Interior. (16 U.S.C. 536)

Sec. 6. The Secretary may require the user or users of a road under the control of the Forest Service, including purchasers of Government timber and other products, to maintain such roads in a satisfactory condition commensurate with the particular use requirements of each. Such maintenance to be borne by each user shall be proportionate to total use. The Secretary may also require the user or users of such a road to reconstruct the same when such reconstruction is determined to be necessary to accommodate such use. If such maintenance or reconstruction cannot be so provided or if the Secretary determines that maintenance or reconstruction by a user would not be practical, then the Secretary may require that sufficient funds be deposited by the user to provide his portion of such total maintenance or reconstruction. Deposits made to cover the maintenance or reconstruction of roads are hereby made available until expended to cover the cost to the United States of accomplishing the purposes for which deposited: *Provided*, That deposits received for work on adjacent and overlapping areas may be combined when it is the most practicable and efficient manner of performing the work, and cost thereof may be determined by estimates: *And provided further*, That unexpended balances upon accomplishment of the purpose for which deposited shall be transferred to miscellaneous receipts or refunded. (16 U.S.C. 537)

Sec. 7. Whenever the agreement under which the United States has obtained for the use of, or in connection with, the national forests and other lands administered by the Forest Service a right-of-way or easement for a road or an existing road or the right to use an existing road provides for delayed payments to the Government's grantor, any fees or other collections received by the Secretary for the use of the road may be placed in a fund to be available for making payments to the grantor. (16 U.S.C. 538)

STATEMENT

before

THE TRANSPORTATION SUB-COMMITTEE

of

THE SENATE COMMITTEE ON PUBLIC WORKS

by

JAMES R. CRAINE

Mr. Chairman and members of the sub-committee, my name is James R. Craine. I am a graduate professional forester employed by the Edward Hines Lumber Co. I have worked as a forester for 20 years, the last 12 with the Edward Hines Lumber Co. For about the last eight years, I have had the forestry responsibilities for Hines' operations in Colorado, Wyoming, and recently in South Dakota.

The timber industry is experiencing a two-way crunch. In the face of low markets it is experiencing higher-than-ever requirements on federal timber sale contracts. This is most obvious with regard to road construction and engineering requirements, and the result has been numerous sales that are of a deficit nature, but which must be bought in order to maintain adequate timber supply for efficient operation.

1. UNNECESSARY RECONSTRUCTION

Recently, in the Rocky Mountains, we have noticed a tendency on the part of the Forest Service to up-grade old roads that have been used for

years for timber harvest and general access. The areas involved have been harvested in the past, and the present entry is a second, third or later entry. In many cases the roads are basically single-use roads, with the possible exception of hunter use. They do not attract significant public use of other types. Often, the cut is light, volumes are low, and the cost per thousand board feet is excessive. Sometimes, because of this, the sales fail to sell after Forest Service has put the work and investment into preparing them. In that case, no-one gains. The reconstruction of such old roads on late entries is hard to understand. It seems that if a road has handled the hauling of millions of board feet safely and without resource damage in the past, and is not providing access to high-use areas, there is little reason to invest large sums in up-grading it now. Yet we have had to buy sales with such requirements, sales that become deficit because of the road requirements. Up-grading required may consist of anything from a few spot improvements to major changes in grade, alignment, drainage. It frequently includes addition of gravel surfacing where none has been needed in the past.

See Appendix Items C, D.

Road use management could often be used as a satisfactory substitute to upgrading a road physically. Public traffic could be limited during the week if volume of such traffic warranted it, while logging traffic could be limited during week-ends and holidays. All traffic could be limited during the spring break-up periods, as needed. This type of

approach, especially on roads used only infrequently for hauling timber, would be far more economical than large investments in major reconstruction jobs and the corresponding need for increased annual maintenance. When entries occur only every ten years or less frequently, the burden of maintenance on a high standard road can become excessive to the Forest Service. In addition, the justification for upgrading for one given sale is hard to see.

Whether construction is reconstruction or new construction, excessive costs place an impossible burden on the prospective purchaser. Offering of such sales can be a futile exercise in procedure.

See Appendix item H.

II. SELECTION OF ROAD STANDARDS

A companion problem is the one of selection of road standards for new construction. We have been required to construct, to full standard specification, one-shot single-use roads that are planned for closure when the timber sale is complete. They do not provide access to multiple-use areas, timber harvest entry is not planned in the near future, public use will be denied when we leave, yet they are specified roads, often including gravel, and often performing the function of a spur road. Such roads that are planned for closure and minimum maintenance need only have adequate drainage protection, which can often be provided in the form of water bars rather than sophisticated drainage installations. In some cases, if the road is to be closed and not maintained, the investment

in the road is actually jeopardized. If, for example, a culvert plugs due to lack of maintenance, the road could wash out.

See Appendix items E, F.

Additional instances of "window-dressing" requirements often unnecessarily raise costs while having questionable value in terms of returns. Some purchasers report they could have supplied similar results on the ground for costs nearly half of those resulting from the Forest Service requirements.

See Appendix item I

Selection of road standards should also involve proper timing of requirements. During low market periods, as we have been experiencing for the past year or so, deficits could be reduced if the Forest Service would concentrate on the more accessible, less-expensive-of-access areas for its timber sales. Areas added to large sales in the hope that the remainder of the sale will carry them economically should be eliminated and included in later offerings when economic conditions are more favorable. In most instances this type of thing can be done without jeopardizing long-term resource management plans.

See Appendix item G.

III. COOPERATIVE ROAD MAINTENANCE

Coupled with this, and the upgrading problem is the relatively recent requirement in the Rocky Mountains that timber purchasers pay co-

operative deposits for replacement of crushed rock surfacing, even on those roads which they rock new as part of the timber sale requirements. In some instances, this deposit has nearly equaled the cost per thousand board feet of hauling logs over that particular stretch of road. However, in areas of heavy public use, we have observed equal or greater damage to crushed rock surfaces from other public use than from log truck traffic.

See Appendix item G.

IV. ENGINEERING DELAYS

One factor contributing to inequitable road cost allowances has to do with the handling of the engineering job itself. Because the Forest Service feels obligated to sell sales by a deadline date in order to meet sale accomplishment commitments, it often must sell sales with incomplete engineering. Engineering is then to be completed subsequent to sale date by one of two methods. The purchaser may be required to do it as part of the over-all road requirement; or the Forest Service may do it, at the same time committing itself contractually to a schedule of completion.

Several problems arise as a result:

1) Purchaser has bought a job blind. Construction quantities may change substantially when engineering is completed, and although purchaser credit allowance changes proportionately, the change in quantities can be enough to push a profitable sale into a loss position.

2) When the Forest Service fails to meet the completion schedule, it has breached the contract; but monetary damages to the purchaser cannot be recovered.

3) Forest Service procedures require that road cost estimates for roads which are designed after the sale is sold be based upon unit cost allowances which were in effect at the time the sale was sold. Thus, any significant delays in the completion of the engineering automatically build in a loss to inflation. In such cases, purchaser credit allowances fall short of equaling the actual cost of the road construction to the purchaser.

4) Even though a sale may be sold at a time of year when it is possible to find many construction contractors looking for work, none will bid until engineering is complete. Frequently, then, we are in a position of receiving bids from only those who have been unable to be competitive during the early part of the season.

5) On such sales, unless there are portions of the sale which can be hauled over existing roads that don't require reconstruction, for all practical purposes the purchaser does not have a sale. However, he does have a bid deposit tied up, and he has assumed contractual liabilities, such as for participation in fire suppression.

See Appendix Items A, B.

These concerns would be substantially diminished if:

a) Forest Service could complete all engineering prior to sale date,or

b) Forest Service could use unit cost allowances in effect at time of completion of engineering.

Alternative (a) would be the best.

Mr. Chairman, this concludes my summary comments. Specific documentation showing examples of these problems is found in the appendix attached to this statement.

APPENDIX

NOTE: Because of limited time for preparation documentation of specifics is limited in area. At your request, documentation will be expanded to cover a broader geographic area.

A. Dudley Creek Timber Sale - Medicine Bow National Forest
Sale date - 2/19/74

Illustrates the problem of survey and design to be completed after sale date by Forest Service.

Survey and design on reconstruction to be complete by 6/1/74, three and one-half months after sale date; on new construction by 6/15/75, sixteen months after sale date. Not only is there a loss to sixteen months of inflation, but by mid-June of many years, most responsible contractors are obligated for the summer.

B. South Spring Creek Timber Sale - Medicine Bow National Forest
Sale date - 6/25/73

Illustrates the problem of survey and design to be completed after sale date, by Forest Service.

Various segments of road work were to have engineering complete by 7/15/73, 8/15/73, 8/31/73, and 9/30/73. Although this was not long after the sale date, it still used a substantial portion of the summer road construction season. However, even though final road plans were not received until June and July of 1974, no monetary relief was granted purchaser.

C. Johnson Creek Timber Sale - Roosevelt National Forest
Sale date - 6/2/75

Illustrates the problem of excessive upgrading of old existing roads for minimal volume in this entry. Sale volume was 1,393,000 board feet, and purchaser credit allowance was $41,241.00. Company estimate of costs was significantly higher. Sale failed to sell.

D. Parkview No. 5 Timber Sale - Routt National Forest
Sale date - 6/28/74

Illustrates the problem of excessive upgrading of old existing roads for minimal volume in late entry. Three miles of existing low standard secondary road, adequately protected with water bars and used for timber haul in years past, was graveled with $16,000.00 worth of crushed rock (purchaser credit allowance). Sale volume was 3,730,000 board feet. Other upgrading reconstruction brought the total road work to $48,138.00. Sale was offered as SBA set-aside, failed to sell, and was subsequently purchased by large business under S-12 authority.

E. Green Ridge Timber Sale - Medicine Bow National Forest
Sale date - 12/30/74

Illustrates the problem of low standard spur-type roads being built to specified standards. 6.7 miles of such roads develop purchaser credits

of nearly $100,000.00 yet those roads are to be closed to use after completion of this sale. Specifications include requirements for crushed gravel surfacing. Sale volume is 14,800,000 board feet.

F. Damfino No. 1 Timber Sale - Routt National Forest
Sale date - 6/11/73

Illustrates the problem of spur-type road being built to specified standard. The road, 0.79 miles long, provides direct access to one cutting unit of 14 on the sale. It ends near a ridge top, and will have no further use in the immediate future when the sale is closed. Purchaser credit allowance is $17,031.00; sale volume is 4,500,000 board feet.

G. Whiskey Park No. 3 Timber Sale - Routt National Forest
Sale date - 5/27/75

Illustrates the problem of adding high cost roads and low volume timber to a sale, thus significantly adding to costs per thousand board feet during low market times. The over-all purchaser credit for all road construction on this sale amounts to $23.92 per thousand board feet.

The Whiskey Divide Road, to be built for $95,734.00 in purchaser credits, accesses 2,393,000 board feet of the sale. If that road and that volume were dropped from the sale, purchaser credit would drop to

$19.74 per thousand board feet, a savings of $4.18 per thousand board feet on the rest of the sale volume. Total sale volume as offered is 11,600,000 board feet.

Also illustrates the problem of excessive rock replacement collection. $5.40 per thousand board feet is to be collected. This is determined by collecting $0.30 per thousand board feet per mile over 18 miles. This includes about six miles of new construction, upon which purchaser must place rock in the first place.

H. Cabin Creek Timber Sale - Arapaho National Forest
Sale date - 6/30/75

Illustrates the problem of extremely high road costs for low volumes in small quantities. Purchaser credit allowance was $48,856.00 for a sale volume of 910,000 board feet. Sale did not sell.

I. Coyote Creek Timber Sale - Shoshone National Forest
Sale date - 6/23/75

Illustrates the problem of unnecessary requirements to accomplish the needed job. Approximately three miles of existing road are to be surfaced. However, surfacing material specified is similar in character to much of the parent material through which the road was built. "Spot

surfacing" could have accomplished the same results.

In addition, 1.2 miles of new construction are specified. Topsoil must be saved and replaced on the cut-banks after the road is complete. Purchaser reports that proper construction of backslopes, with possible addition of seed and mulch, would accomplish satisfactory results. This is a single-purpose road, built for the sale, and will be closed when the sale is complete.

Purchaser credit allowance on the sale was approximately $47,000.00. Purchaser estimates the proper job could have been accomplished for less than $25,000.00 without "window-dressing" requirements. Volume of the sale is 2,000,000 board feet.

STATEMENT OF JAMES M. WHITE, VICE PRESIDENT

DELTIC FARM & TIMBER CO., INC.

REPRESENTING THE REGION 8 FEDERAL TIMBER PURCHASERS COMMITTEE

BEFORE THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE PUBLIC WORKS COMMITTEE

JULY 14, 1975

I am James M. White, General Manager of the timber division for Deltic Farm & Timber Co., Inc., El Dorado, Arkansas. I am here today representing the Region 8 Federal Timber Purchasers Committee composed of representatives from both large and small businesses engaged in pine and hardwood lumber manufacturing, plywood manufacturing, pulp and paper manufacturing, and pressure treating. Also represented in this committee are members of the following associations:

Southern Forest Products Association
Southeastern Lumber Manufacturers Association
American Plywood Association
American Pulpwood Association
Appalachian Hardwood Manufacturers Association
Southern Appalachian Multiple Use Council.

The National Forests contain more than half of the nation's total inventory of softwood sawtimber; that is trees of the type and size required to make lumber for houses. Most of this enormous inventory is concentrated in Rocky Mountain and Pacific states. While most of the timber used in forest products manufacture in the South comes from privately owned lands, the National Forests are an important source of supply in our region as well as these other parts of the nation. In fact, 15 percent of the timber used to produce

Southern pine lumber is harvested from the National Forests. My own firm is a user of Federal timber.

Purchasing of Federal timber is complicated and further made so by road building requirements. We recognize the pressing need to construct roads on Forest Service lands and even though the lands in the South are much more accessible than Western Federal lands, we do favor a continuing program of constructing roads necessary to remove timber in the harvesting process.

The problems that Federal timber purchasers are encountering in assuming these road building responsibilities are what we would like to discuss today.

Many purchasers are small businesses and do not have the personnel or equipment necessary to properly construct these roads. Construction costs have risen rapidly and the lead time from sale date to construction completion has resulted in cost overruns that are a severe burden on these businesses. The Forest Service indicates that cost estimates for purchaser constructed roads are sufficient to cover construction costs only at the time of the sale and allows neither cost escalation or administrative costs necessary to complete these roads. Purchasers should not have to subsidize the Forest Service in the road construction program.

Road credits are issued at the time of official acceptance by the Forest Service and relief is needed for the purchaser to promptly retrieve funds expended on these roads. The transfer of earned purchaser road credits from one timber sale to another sale being operated by the same contractor on the same National Forest would offer some relief from this burden.

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The Forest Service Chief's policy indicates that roads will be constructed only to a standard necessary to remove the timber on a specific sale. Many roads now being constructed by purchasers are designed to a standard higher than needed for timber removal. The apparent justification given for this generally is that administrative needs must be met, and an overall plan is being followed that will allow a total road system some time in the future. It certainly is commendable to plan for a total road system, but it is not consistent with the fact that large numbers of reconstructed roads are being built today with purchaser road credits. Since many of these roads are being closed and barricaded as soon as they are completed because of a lack of maintenance funds it becomes necessary to come back at a later date and expend purchaser road credits on reconstruction in lieu of a continuing maintenance program.

Many roads that have been used in the harvesting process over a period of years are now being abandoned and new roads constructed along the same routes within the same timber drain area. The reasons given for this reconstruction is usually that the old roads do not meet the new standards. The contention is that grade may be too great or environmental damage may be experienced. Certainly we have the responsibility to protect our resources in every way possible but in areas where rock is prevalent or stable soil conditions exist, new road construction may not contribute to an overall improvement of conditions conducive to minimal soil or water deterioration. Certainly timber removed once every ten or twenty years can be accomplished with little impact and old roads may serve the same purpose and requirements as the newly constructed road.

Volume of purchaser constructed roads have increased steadily for the

past few years. Per mile cost of construction increased sharply due to inflationary factors and more elaborate specifications. Sales realizations have been lower during this recessionary period. These factors have all combined to seriously shrink county turnback funds in those areas that depend heavily on Federal turnback funds from sales proceeds.

Sufficient funding should be provided for the Forest Service to adequately construct the roads necessary for timber removal. We urge that this be given proper consideration in the Congress.

I appreciate the opportunity to testify before your committee on behalf of the Region 8 Purchasers Committee. Thank you for your patience and we stand ready to answer your questions and submit specific data for your information.

SENATE PUBLIC WORKS COMMITTEE

SUBCOMMITTEE ON TRANSPORTATION

STATEMENT OF
WESTERN FOREST INDUSTRIES ASSOCIATION

Washington, D. C.
July 14, 1975

Mr. Chairman, Members of the Committee, my name is Wayne Gaskins. I am a forester for the Western Forest Industries Association, a forest products manufacturers' association comprised of the independent timber processors located throughout the Western United States, including Alaska. Our members are heavily dependent on the National Forests of the West for their raw material supply. Thus, during this past decade, major shifts in Forest Service road construction policy have increased the financial and contractual burdens on our membership because of their need to purchase Forest Service timber sale offerings to meet raw material requirements.

For the record, it is desirable to illustrate this shift in Forest Service road construction policy. The April 15, 1975 Library of Congress report on this subject states as follows:

"There are two ways that roads needed to remove timber are secured.

1. A road is designed by the Forest Service and a road let to contract, the award going to the low bidder. He constructs the road. In this system, on a road estimated to cost $100,000, the builder would be paid at the end of each month on work performed plus invoice material on the job less 10% which is withheld for payment at the end of the job. However, when 50% of the work is done the amount withheld may be reduced to 5%.

2. Roads are also built by timber purchasers under a system which, in effect, reduces the price of the timber... The capsule history will depict the changes in the financing of road construction since shortly after the 1964 Act was passed. The year 1972 represents the high point in Gov't. construction.

Program	1967	1972	1976	% change (greatest year)
		million of dollars		
Govt Construction Approp. funds	$ 52.5	$ 110.5	$ 11.9	- 91%
Timber Purchaser Credits (TBR. REV. RED.)	59.4	116.8	210.0	+ 253%
Supl. with approp. funds to secure higher stds. TBR. Purch. Road	4.5	7.8	6.8	+ 51%
Total Timber Purch. Credit + Supl. (2 + 3)	63.9	124.6	216.8	+ 239%

Program	1967	1972	1976	% change (greatest year)
		million of dollars		
Total Constr. Approp. and TBR. REV. RED. (1 + 4)	$ 116.9	$ 235.1	$ 228.7	+ 95%
Percent of Road Cost by Approp. fund Constr. (1 ÷ 5)	44%	47%	5	
Percent of Road Cost by TBR. Revenue RED. (4 ÷ 5)	56%	53%	95%	
Approp. Funds used to design, Engineer & Supervise constr. of TBR. Purch. Roads	$ 20.4	$ 23.4	$ 93.4	+ 357%
Total Road Constr. and Eng. Program	136.8	258.5	322.1	+ 135%

As the above shows the emphasis on the source of "funding" and the way roads are constructed has drastically shifted. Virtually no roads are built now by road contractors using direct contracts and appropriated funds. Virtually no roads are built for multi-purpose use; all roads are for timber. Virtually no roads are built in advance of timber harvesting to open areas where there are high mortality losses or to provide flexibility in scheduling timber sales, both as to type of timber to be cut and to meet emerging market demands. The burden of "financing" road construction has been completely shifted to timber purchasers who construct roads under reduced timber prices."

Also, Professor Kenneth C. Tollenaar in his report "Financing National Forest Roads: Background Information for County Government Policy", March, 1975, graphically illustrated the tremendous shift during the decade of almost all National Forest road building to the successful bidders of National Forest timber. The cost of the road construction is borne by the timber values in each sale offering (See Appendix A).

This shift has resulted in numerous additional hardships and inequities being thrust on the timber purchaser. Many purchasers have no other source for timber than the National Forests. Certainly no knowledgeable member of industry will deny that good roads are needed in the National Forests. Also, there is a definite place for some roadbuilding requirements to be included in the timber sale contract. A balanced program of roadbuilding with appropriated funds and under the timber sale contract is warranted, a program that does not exist today. The inequities and burdens brought about by this Forest Service shift in roadbuilding policy on the National Forests include:

A. The inability of the timber contract holder to be promptly repaid for road construction completed prior to timber harvesting on that contract. The bill recently considered by this committee, S-364, permitting transferability of earned effective road credits would substantially correct this inequity.

B. Forest road construction cost estimates permitted under the timber contract regularly fall far short of covering the actual cost of construction. This situation is caused in part by the time lag between the time the forest engineer appraises the cost of the engineering job, the entire timber sale package is appraised, advertised for sale, bid and ultimately the successful purchaser programs his road construction and timber harvest schedule to build the road required in the contract.

A system known as "indexing" used throughout our Federal Highway Program substantially removes this problem caused by the passage of time and our everpresent inflation. It appears such a system of "indexing" road cost estimates included in all timber sale contracts issued by the Forest Service could eliminate this problem. If road construction cost were to be adjusted according to a recognized index, the Engineering News Record Index would be an acceptable reference. More specifically, the Oregon and Washington indices, which go into the National ENR Index, would be most appropriate. Provisions to adjust costs in the timber sale contract should not go beyond some point in time during the life of the timber sale contract to provide the incentive to accomplish road construction early in the life of that contract.

C. A national policy to minimize National Forest road loss during the course of heavy rainfall or winter "Chinook winds", both causing flooding, would substantially reduce post expenditures in flood damage repair. Such a national policy currently exists in our National Forests when threatened by fire. No effort is spared to stop the forest fire in its tracks. Post season supplemental appropriations are annually approved by Congress to cover these fire fighting expenditures.

For example, adjacent forests in Region Six both experienced a warm "Chinook" during January, 1974. A heavy snowpack quickly turned the rivers to roaring torrents. One forest took major preventive action, the other limited action because of the uncertainty of how to pay for the unscheduled expenditure during the height of the runoff. The lesser damage sustained by the forest that took major preventive action is evident when the total flood damage record of the two forests is compared (see Appendix B).

D. A restating of national policy on road standards is essential. The meaning of P.L. 88-657 as it directed the standard of road to be built on a timber sale to the level constructed by a prudent operator has been lost with the passing of time on some National Forests.

(1) Regular timber sales on some forests are being forced to carry the construction costs of roads with unusually high standards and without the aid of supplemental appropriated road funds.

(2) Salvage timber sales are frequently never offered because of the engineering burden of costly road construction on low value material. A particularly good example of this is in Northeastern Oregon's present insect infestation killing millions of feet of Lodgepole Pine timber.

(3) Intensive forest management practices such as thinning of pre-commercial forests are programmed to have $50,000/mile roads constructed. Minimal access roads of a few thousand dollars per mile would serve equally as well and would make intensive forest management on our National Forests more readily achievable. For example, the Gifford Pinchot National Forest is planning a 40-mile road system to access young forests in need of pre-commercial thinning. Access is needed for workers to carry out the spacing control activities in these young stands. $50,00/mile for this 40-mile road system contemplates putting the ultimate standard road in place. The need exists some time in the future for such high standard road access. Today's road needs should be much less costly, but access is truly needed. $50,000

The design of roads to accommodate timber haul must bring into balance the resource protection measures, operational needs, and structural requirements to support loads during seasons of planned use. Depending on terrain, climate, and soil types and other factors, standards will vary but should provide that balance.

When the timber market drops or the general economy is weak, the high cost of some design requirements are questioned but the policies for requiring these features do not change.

Today's high cost of road construction has caused economic problems for the industry, particularly with cash flow. The best way to relieve this problem is not a general reduction of standards, but for the Forest Service to have adequate appropriated funds to supplement sales for items requiring large capital investment over short time periods.

Failing to provide appropriated funds to supplement the high standards being designed into our timber sale contract road building program is unnecessarilly damaging to our industry and to local county government, so dependent upon the annual "in lieu" payments from the National Forests.

E. Credibility. Local ad hoc audit programs reviewing periodically the use of funds collected for road maintenance purposes should be encouraged.

To provide a system to track individual units of work from collection to performance requires a different form of accounting. The accounting system would need to be capable of identifying the source of funds, and provide accountability for actual work activity performance location and its cost. The procedure should recognize that work forecasting and cost estimating two to four years in advance are subject to seasonal variances and economic changes. The performance of work can be measured with reasonable accuracy but the work activities may differ from those originally forecast while still satisfying the intent of collections. The community, industry and local government need to be included in such an ad hoc group with local forest representatives.

The last major appropriation by Congress specifically addressed to opening up timber of low value occurred in mid-1969 (F.Y. 1970). Fifty million dollars was appropriated for this accelerated timber access road program.

In some cases the money was spent wisely. In many other situations the returns on the program left much to be desired. In some situations "pet project" roads having little relationship to providing timber access were quickly renamed to qualify for the timber access road money. A recent partial review shows that $36,000,000 of this special appropriation was spent in Oregon and Washington. Since that program was launched only 442 million feet of timber (as of 7/1/75) has been sold to go over these new and "needed" road systems, a period of six years since the funds were appropriated. During the next five years only 356 million feet of additional timber sale volume is planned to be offered for sale on these "needed" road systems (see Appendix C). It is true some timber volume is blocked by the recent roadless area lawsuit and may never haul that first log other than the right-of-way logs removed at the time of road construction. Two such excellent examples are in Montana. They are:

(1) Dean Ridge Road - Flathead National Forest
Cost: $450,000
Length: 7.3 miles
Construction completed: 1972

Only R/W logs have been hauled over this road to date.

(2) Wise River - Polaris Road - Beaverhead National Forest
Cost: $1,340,398
Length: 11.6 miles (This road is reached by traveling 6 miles over a County 1-1/2 lane partially improved road. At the National Forest boundary, it "graduates" into a two-lane "black-topped" road. It is entangled in roadless area and wilderness controversy. If not declared a wilderness area, the first sale is scheduled for fiscal year 1980).

F. Deficit sales caused by excessively high road construction standards, low value timber and a depressed lumber market are causing tremendous problems throughout the Intermountain West. Supplemental road building funds are generally lacking. Excessively high deficit sale offerings are common. Many timber-dependent communities in the West are seriously threatened by this situation. Supplemental road funds are urgently needed.

In Summary:

1. Supplemental road funding is needed.

2. Increased and continuing timber access road funding is needed and warranted. "One shot" programs of accelerated timber access road may not give the most productive results.

3. A program of "indexing" road construction costs included in timber sale contracts should be implemented.

4. A national program and authority for preventing and minimizing road damage during periods of high runoff should be authorized with post emergency funding of the action similar to the present procedures used in forest fire suppression.

5. The Forest Service is spending annually for forest roads in excess of $300,000,000 in appropriated and timber receipt funds without prior generalized "line"accountability. Most of the expenditures are without much more than casual guidance. The strongest direction is needed to assure that future road appropriations and road building under timber sale contract carry a generalized "line" breakdown on engineering activities.

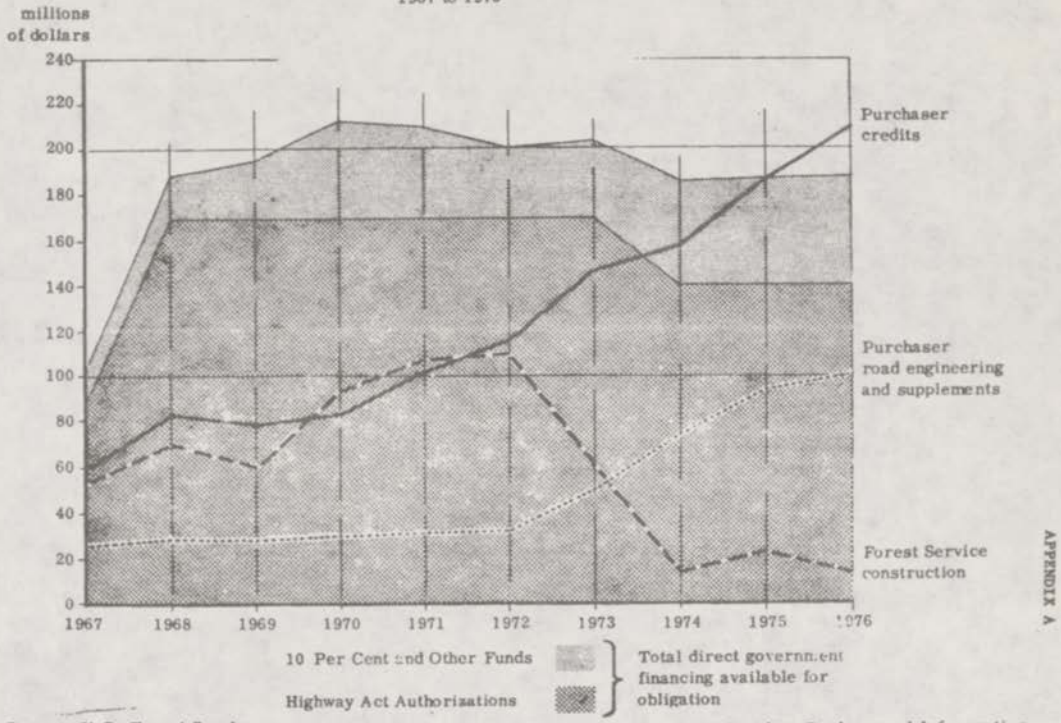
   All in our industry recognize that roads in our National Forests are essential. But credibility must be returned to some of their road building program in relation to the total resource system.

6. The current excessive deficit sale offerings must be minimized. We urge engineering line accountability carry as its highest priority that appropriated road funds be used first to prevent future timber sales being offered with more than minimal deficits.

7. Prompt consideration and authority to allow the transfer of earned effective road credits as proposed under S-364.

Thank you.

TRENDS IN NATIONAL FOREST
ROAD AND TRAIL FUNDING
1967 to 1976



Source: U.S. Forest Service

From: "Financing National Forest Roads: Background Information For County Government Policy" March 1975 by: Kenneth C. Tollenaar

APPENDIX B

ERFO

A. Gifford Pinchot National Forest

194 projects	Total	$3.9 million
8 larger projects accounted for		$1.8 million
Concrete bridges	out	4
Temporary bridges	out	5
Major CMP	out	6
Major Road Systems	affected	4

Timber Sales

88 existing sales affected	280	mmbf
FY 1974 and 1975 proposed sales affected	100	mmbf

Temporary access to a majority of the sale areas was provided by July 1, 1974. Most areas were snowed in until June 1974. The districts were given authority to make temporary repairs on request by the purchasers.

The Forest spent $45,000 FRT prior to ERFO availability. ERFO was available April 15, 1974.

Of 85 projects reported by April 11, 1974, 40 were open with temporary or alternate access, 35 were snowed in, and 10 were not open. As the snow melted additional projects were reported for a total of 200 projects.

Damage ranged from minor ditch erosion and culvert washout problems to severe damage to several miles of double lane gravel road and destruction of several major concrete bridges.

B. Mt. Hood National Forest

57 projects	Total	$2.61 million
6 larger projects accounted for		$1.41 million
Bridges out		2
Major Culvert lost or damaged		14
Miles of road damage		162

Timber Sales

79 Active Timber Sales affected	225 mmbf

Due to the time of the flood occurrence (January) and the action taken by the force account crews (combined with contract equipment rentals) the Mt. Hood was able to make temporary repairs or construct bypass routes so the delay to log haul was practically nonexistent. This required large expenditures of funds immediately after the flood occurrence.

SEE OTHER SIDE

ERFO flood expenditures 3rd quarter, January through March (prior to ERFO availability) $136,000

ERFO flood expenditures 4th quarter, April through June $528,000

Other expenditure for emergency road repairs that did not qualify for ERFO funds (FR&T and CWFS deposits) during the 3rd and 4th quarter = $120,000

Present status of ERFO projects:

60% of all projects completed except seeding and mulching work.
90% of all projects completed or under active contracts for reconstruction.
10% (6 projects) to be let for contract 1st quarter FY 1976.

7720 DEVELOPMENT ROADS
ACCELERATED TIMBER ACCESS ROAD PROGRAM
F.S. Region 6

7/10/75

FOREST	RD. NAME	COST MM$	VOL. SOLD PRIOR TO 7/1/75 MMBF	VOL. 5 YRS. PLAN MMBF	VOL. NOT AVAILABLE MMBF
Gifford Pinchot	Lewis River Rds	2.8		27.4	/2
	Siouxon	0.3			All /1
	South Cispus	0.2	3.1		All /2
Malheur	Tipton	1.4	1.3		
	Silvies Logan	1.7	2.3	4.3	
	Logan Valley	1.9	150.0	60.4	
Mt. Baker-Snoq.	Irene Creek	0.5	2.0	21.0 /3	
Mt. Hood	Blue Box, Ebany	.4	4.2	1.5	
	Opal		2.7		All /4
	Ginko				
	White River	2.6	13.2	28.6	
	North South	0.7	23.4	10.9	
	Bonney Butte-Rex	0.5	0.0	8.9	
Okanogan	Nicholson Cr.	0.3	11.0	3.4	
	Falls Cr.	0.5	11.0	9.0	
	Toats Coulee	1.2	7.0 (State DNR)	24.0 (State DNR)	20.0 /1
Olympic	Snow Cr. - Rex	0.2		0.8	All /1
	Howe Cr.				All /1
Rogue River	Hutton Ridge	0.3			
	Grey Rock	1.0	4.8	48.0	
Siuslaw	Baldy Top	3.1	6.0	18.0	
	Ten Mile	1.5		6.0	200.0 /1
Umatilla	Summit Rd.	0.4	32.1	6.0	
	Tiger Cr.	0.4		6.0	
	New Western Route	2.1	44.1 /5	29.8	
	Ukiah Granite	2.8	10.1	9.0	15.0 /1
Umpqua	Medicine Cr.-Indian Caves	1.6	5.6	11.6 /6	5.5

7/10/75

7720 DEVELOPMENT ROADS
ACCELERATED TIMBER ACCESS ROAD PROGRAM

FOREST	RD. NAME	COST MM$	VOL. SOLD PRIOR TO 7/1/75 MMBF	VOL. 5 YRS. AVAILABLE MMBF	VOL. NOT AVAILABLE MMBF
Wallawa-Whitman	Charolois	1.1	16.3	20.4	
	Hoodoo Way	1.9	23.5	11.0	
	Geiser-Greenhorn	1.9	13.5	32.4	
	Elkhorn Drive-Trail Cr.	0.9	13.7	3.0	
Wenatchee	Entiat Rds.	0.5	25.0		
	Entiat Fire-Indian Cr.	0.1	2.5 (Fire Salvage)		
	Tommy Cr.	0.8		9.0	5.0 /1
	French Corral	0.4	13.36 /5		
	TOTALS	$36,000,000	441.8 MM	356.4 MM	

/1. Blocked by roadless studies
/2. Road must be extended for further operations
/3. May be held up in roadless studies
/4. Became Indian lands
/5. Includes alternate haul
/6. Includes 5.5 in study area

Senator McCLURE. We have a panel, Dr. Spencer Smith, Mr. William Towell, and Mr. Brock Evans. If you three gentlemen would come forward, we will hear from you.

STATEMENTS OF DR. SPENCER SMITH, EXECUTIVE SECRETARY, CITIZENS COMMITTEE ON NATURAL RESOURCES; WILLIAM E. TOWELL, EXECUTIVE VICE PRESIDENT, AMERICAN FORESTRY ASSOCIATION; AND BROCK EVANS, DIRECTOR, WASHINGTON OFFICE, SIERRA CLUB

Mr. SMITH. Mr. Chairman, I am Spencer Smith, Jr., executive secretary of the Citizens Committee on Natural Resources. I can't imagine bringing up a subject on this matter that hasn't been covered during your interrogation this morning or during the industry presentation or the dialog that took place thereafter.

All we are going to do is just summarize in general terms our own attitude about it. As you know, our constituency is not that of the timber producers. Timber users, perhaps, but not in the sense we have talked about here. We do agree fully on one account and we see no reason to repeat the statistics which have been discussed since early this morning. We are concerned about the fact that we are not using appropriated funds for the building of forest roads and trails. This seems to me is clearly a fiscal decision made in the Office of Management and Budget. I might add even before that, the old Bureau of the Budget. While these people, the personnel, change, the attitudes appear to remain constant. Their attitude is such action keeps the total budgetary expenditures down, with which they are primarily concerned.

Since they (OMB) are very seldom staffed with few if any competent natural resource managers, not only in this administration, but many, many administrations, one has the problem of trying to obtain consideration for many of the concerns you have gone into this morning.

I think it is terribly important to understand that we have shifted almost from building roads under direct management by allocated funds fully authorized and appropriated by the Congress, and shifted to the timber purchase agreement, which finances the construction of the timber road.

It seems to me that nobody wins in the latter instance.

We have indicated a good burden has been shifted to the counties—about $56 million will be lost to them in 1976 because there has not been direct appropriations for road construction and the timber prices were depressed as a result of that. Many of our difficulties have been the result of the large working capital requirements necessary to bid on timber sales. I recall the Forestry Service testimony saying in response to your inquiry, Mr. Chairman, this morning, that, "Yes, they did have a good estimate as to what the road costs would be." Then they followed that by saying, "If we have a representative sample of the estimate, then we would assume that these estimates are correct."

It has been brought out ad nauseum, but I will mention it again, that is the extent to which other uses of the national forests, also suffer, as a result of the timber user constituted roads.

In bidding on a timber contract, most of the timber purchasers say they are not in the roadbuilding business. The cost of the road is not always easily determined. The estimates of the Forest Service may disagree with those of the industry. These problems are not posed and a much cleaner operation is evident when the procedure is to construct the road with appropriated funds.

There is a second concern that worries many of us. The Forest Service is conducting its policy for the whole national forest on a multiple-use and sustained-yield basis. When they build a road there is a presumption it is going to be utilized for a variety of services and not just timber production. Nobody is suggesting an area that has no hunting or fishing or any other kinds of recreation, including scenic areas, is involved. Neither is it suggested that multiple use must include all uses on every square foot of land in the entire national forest. We are suggesting, however, that an appropriate system of roads and trails could be established, and established effectively. It could be carried forward, with a price tag as well as design and location. Such a procedure would have less problems for the timber users and those of us who look to the national forests for many of their other uses would be much happier than we are at the present time. We are never in complete agreement as to the standards of roads that are built, but it seems to me that the time has long passed whereby we should have an adequate understanding about what the Forest Service network of roads is going to be.

We have not said very much about trails. If there is a policy in regard to trails, it is probably recognized in absence rather than fulfillment. This we have been critical of for a long time. Again, this has been a problem of appropriations as to design, location, use, et cetera, also, how they are going to be maintained, and are the purposes for which they originally were designed going to be changed? All of these factors must be brought into some sort of focus.

We have a number of areas where a pattern of use has not yet been determined. Whether they will be in the wilderness system or whether they will be managed under multiple use. I think here again that this need not interfere with the ongoing serious consideration of a road program, well designed, along with a trail program and financed as I am suggesting.

We are not suggesting a complete abandonment of the timber user road. I think you deprive the Forest Service totally of flexibility and that would not be wise. Hopefully, within the next decade we can redress the present imbalance. Hopefully it can be markedly evident and with some dispatch. A failure to achieve direct financing of roads and trails is going to hinder and hamper not only the timber users, the American public as a whole, but perhaps the land itself.

That is essentially my summary. There are many things we are in agreement with that the Chair has expressed this morning that we simply will not reiterate. But I think our attitude is pretty close to those of the Chair.

Mr. TOWELL. In the interest of your time, I will file my statement for the record and make just a couple of remarks.

Senator MCCLURE. The full statement of all three witnesses will appear in the record.

STATEMENT OF WILLIAM E. TOWELL, EXECUTIVE VICE PRESIDENT, THE AMERICAN FORESTRY ASSOCIATION

Mr. TOWELL. I would like to emphasize the point that Mr. Smith made, or concur in what he said. I think it is important, Mr. Chairman, to stop and think for a moment why roads are built on the national forest. I think we must keep this in mind. They are built for purposes of management, they are built for purposes of removing products from the forest, and they are built for public access. All three of these are important. And I think it is unfair that we put all the emphasis on the removal of timber, the removal of products from the forest, which the current trend seems to indicate, because roads serve all three uses.

Probably the greatest thing we have to look forward to is the Humphrey-Rarick Act. If I had to pinpoint one particular need with respect to road systems on the national forest, it would be complete planning. What is the desirable system of roads? What mechanism do we have for accomplishing what is needed? the Humphrey-Rarick Act will require a program for implementing a full plan. So I think we can look forward in the next year or so to a real framework for solving the problem that has been brought up here today. Not only does the Humphrey-Rarick Act require that all funds be appropriated, regardless of whether the roads are done by timber contractors or by direct appropriations, but it calls for exposure of all roadbuilding funds. I think we have in this law many of the answers to the problems we are facing.

One final point I would like to make is that I feel the road systems in the national forest should be built to standards that are more in keeping with present and future uses. I know that some environmental problems have been created by poor standards, by poor road construction. Water pollution, and siltation have often resulted from road construction more than from logging. I would certainly urge that the highest standards of construction be employed. And along with that, I would also urge that all three uses be kept in mind and the roads built to a quality, a permanent type of construction, that would serve in the future for recreation, for management, as well as removal of products.

I commend the chairman for his demonstrated knowledge here this morning. I don't think I ever sat through a hearing and had the questioner indicate quite as much homework as you have done here today. I am impressed.

Senator MCCLURE. Thank you very much. I grew up with the problem. I appreciate that.

STATEMENT OF BROCK EVANS, DIRECTOR, WASHINGTON OFFICE, SIERRA CLUB

Mr. EVANS. Mr. Chairman, I must say I regret I was not here this morning. I was retained in a doctor's office all that time. I missed the benefit of that dialog, which I am sure was very good. Therefore, I am going to summarize parts of my statement which may appear to you to go to somewhat a different thrust than you have been discussing this morning.

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When I prepared it, I assumed one of the purposes of this hearing would be in the nature of general oversight, regarding the whole forest road program. Therefore my statement attempts to deal with our perception of some of the basic questions regarding this.

Senator McClure. Let me say at the outset your statement is not off the mark. We welcome your statement as an expression of your organization's view in regard to the general problem of the forest road systems.

Mr. Evans. I appreciate that. We do feel there are some serious concerns here. We agree with Mr. Wolf of the Congressional Research Service who referred to the need to review the entire road program and consider the extent to which the orderly development of logging levels and land management has been aided or inhibited by the present policies and programs. We believe the impacts of the national forest road program have been massive upon other resources of the national forest, and in all too many instances, detrimental to those values.

While we are not recommending that no more roads be constructed, we believe the time has come for a large scaling down of this program, and much more attention to its adverse environmental impacts. We think it is possible to demonstrate that while a certain amount of roading was necessary in earlier times, we are passed the point where we are benefiting from it. We feel that an overwhelming number of roads are built for the possibility of extracting timber in the area. This is their purpose, regardless of what they are called. That is why they are there.

The next couple of pages of my statement document the enormous extent of the roading situation in the national forests already. Over 200,000 miles of roads, enough to drive back and forth across the United States 70 times. The roads go to every part of the system. Deep valleys, glaciers, everywhere.

To those who say there is a need for more multipurpose roads to open up the national forest, we say huge samples are already opened up. In any area on the Pacific coast, the hard thing to find is an unroaded portion of the national forests,

We also feel a misnomer here that we have a problem with, and that is the term "forest roads and trails." The ratio of construction of new roads to trails is 24 to 1. The funds are more of a ratio than that. This should be called a forest road development program. That is what it is.

The next few pages of my statement point out that national forests are for many purposes, not just timber. The Organic Act states the need to protect the forest, not just cut timber.

Pages 5 and 6 of my statement are viewpoints to the effect that the national forest road program is primarily for timber purposes and often destroys other values. In spite of the justification given for other uses there.

I refer to some roads in your State of Idaho, for example, the Blue Ridge road. I furnish as an exhibit a summary of a paper entitled, "The Influence of Roads on the Elk Population," which states the feeling of State fish and game departments that the roads have resulted in a decline of elk herds.

At pages 6 and 7, the irony is pointed out that perhaps the forest roads program has resulted in a serious loss to the forest trails program. I cite some documentation. For example, 75 percent loss of trails in

lower elevation forested areas in some Oregon national forests since 1950. Most of the west coast national forests can show the same kind of loss as roads were built over trails formerly used for recreational experiences.

Just a brief comment on the method of financing: again, I am sorry I missed the dialog this morning, but we strongly feel the method of appropriating funds to build roads is a direct subsidy to the timber industry because it is mostly penetrating areas where the timber could not pay for itself. We probably would favor only roads where the timber resources could pay for the cost of the road. This is a technical question that we could talk about more later.

The last few pages of my statement deal with the need for timber and the notion that the national forests should take up the slack because the private timber companies are liquidating their own stands. We don't believe we want to change the multiple use laws to accomplish this.

We believe any comprehensive analysis would show most of the truly commercial parts of the national forests have been roaded and have access for timber purposes. We are concerned mainly about the few remaining lowland forested areas in an unroaded condition where trails still exist. We are also concerned with the remaining forests at higher elevation which provide shelter for wildlife and wilderness experiences.

When we already have 200,000 miles of roads inside forest boundaries, to say further roads are needed, we believe this perverts the meaning of the important term—multiple use—that we subscribe to, also.

Finally, I point out other methods for increasing wood supply, including the utilization question which I am sure you are familiar with.

Just to conclude, we believe generally with perhaps a few exceptions the forest roads and trails program has outlived its original commendable purpose of providing access to all national forest resources. They now exist to subsidize the timber industry. We think there are other ways to provide more wood supply for the American people, but it is only in the national forests we are going to be able to provide wildlife habitat and recreational experiences.

We urge and hope that this committee will undertake a comprehensive and case-by-case review of the whole road program.

Thank you.

Senator McClure. Thank you.

First of all, let me say that I agree totally with the statement that is made on page 2 of your statement, Mr. Evans, that we should look at the total impact of the road system upon the total resource and on all portions of the use of the resources, and not just with respect to timber-productivity. I hope that as we look at it, that that is exactly what we do. Sometimes those are conflicting demands. For instance, you have appropriately and, I think, correctly identified impact of additional roads in an area inhabited by elk as being adverse to that wildlife resource. On the other hand, removal of an over mature timber may be an enhancement of the wildlife resource. If you could have clear cutting in that area without having roads, I suspect the elk would benefit from it, assuming that the clear cutting was done in an appropriate place, places where it was—from an engineering and technical standpoint—feasible to do, that is one of the difficulties we have in the

areas of Idaho, the declining elk herd is the product of not more roads, but forest conditions being returned to normal after many years following the disastrous fires of this century. The fires created the elk habitat. The herd increased because of that.

The habitat is changing, not because of man, but in spite of man. The elk herd is declining. In that particular area some timber removal in those forests, some of the regeneration of growth conditions would enhance the opportunities of that elk herd to survive. At the same time, however, to do that, in order to get the timber out, we would be building roads which would have an adverse impact on the very elk herd benefited by the removal of the timber. So there are offsetting constraints upon our policy.

You identified, too, the decreasing for a number of reasons, I would think, and for only one of which is road building, a major reason the trail mileage is decreasing, the maintenance of old trails, is the difference in the way in which we fight fires in national forests. We maintain far fewer lookouts, we fly more airplanes, we maintain fewer trails, we have more helicopter drops and more parachutes to move and fight those fires. As a result, a lot of the back country trails are allowed to close simply because they are not needed for the purpose for which they were built in the first place.

Mr. EVANS. When I made my reference to the loss of low elevation trails, I was thinking primarily in my own direct experience in western Washington and western Oregon. I would be happy to submit current logging maps for these national forests to show you what I mean. Where forests used to be, logging roads are put over the trails. I agree in principle or as a general point with the statement you made, that trails that used to be administered for firefighting purposes, are now abandoned. I am not talking about that. I am talking about logging roads being put directly over recreation trails.

Senator MCCLURE. I don't question that that happens, but it certainly is not the only reason the maintained mileage of trails is declining. I think you would agree with that.

Mr. EVANS. Yes, I do.

Senator MCCLURE. Isn't it also correct that if we get to the point that the forest roads and trails system is funded almost totally out of timber receipts, that the likelihood of any of that being in trails is almost nil?

Mr. EVANS. That is one reason I was suggesting we call it a roads system and deal with the roads as one set of circumstances concerned, and then we could talk about the trails system in the real terms, too. When one says forest roads and trails together, it implies a form of equality. But the ratio is far different.

Senator MCCLURE. I don't disagree with the statement there is no equality in terms of miles or dollars, but we will not solve that problem by moving away from the appropriated funds that go to the trails system.

Mr. SMITH. What worries me, Senator, is the fact that some years ago the head of the Forest Service indicated the worst mistake he ever made was getting the entire Forest Service operation tied up into the timber operation. The more timber you cut, the higher the budget goes, and the budget became totally oriented to a timber operation.

What worries me now is just timber user roads are built under these circumstances, you are getting into that orientation further. We want a balanced orientation. I think balanced use of the forest, the national forests, is something with which we have been working, primarily through appropriations, all of which have been cut back, especially brutally in areas of our greatest concern. So we feel this impact is on our whole concept. That is one of the things we have to be concerned about.

Mr. TOWELL. This morning it was said that these are all public roads being built with public funds. This is extremely significant. We must make sure that the roads are built and planned in such a way that they will serve all the purposes of the management of the forest. That is a statement that was made that is very significant.

Again, I think the key to the road system is planning, a thing we have not done. We have not had a comprehensive plan or blueprint for achieving the objectives. This is what we do have to look forward to.

Senator MCCLURE. I agree with that statement. It has to be related to the overall management of the total resource.

Mr. TOWELL. That's right.

Senator MCCLURE. Without going into it further, there is disagreement and contention that discussion concerning how many of the presently roadless areas will be maintained permanently in roadless condition. That relates to the road building question, but it is not the total answer to the road building or trail building questions within our national forest.

I am a little bit concerned with the thrust of your statement, Mr. Evans, because it seems to me we had reached agreement earlier that in areas of commercial forest, more intensive management was to be necessary if we were going to enhance and increase the fiber production in areas of commercial forests within the national forest system. It seems to me in reading your statement today that you don't want any more roads built regardless of the nature or size of the area. If my impression is correct, I would like you to state it in those terms. If my impression is not correct, if I have misread you, that also ought to be made clear.

Mr. EVANS. I can't recall where it is in my statement now, but I think I said, while we by no means think there should be no more roads built, we think the program ought to be scaled down. That would be about the way I would phrase it.

I also said I think that we do feel that most of the truly commercial areas, that is, the high sites and good growing area, have already been accessed for logging purposes. Most of the controversy now is usually way back in the back country and on the worst sites with different multiple use values. I am not going to say we want no more roads built, but I would repeat my statement that we think most of the commercial timber probably has been accessed. We would be happy to work with anybody to increase production.

Senator MCCLURE. One of the concerns I have in that connection lies in the fact if we are to reduce the pressure for extending the roads into currently roadless areas, we must do a better job of management on road areas. Pressures for timber and fiber are otherwise going to be

very, very large indeed, and pressure for the extension of the road system will be enhanced by the failure to manage appropriately. Connected with that, of course, lies the question that the previous panel made reference to, and that is rebuilding existing roads. It is a part of the road building program or plan of the national forests, and it has to do not with extension into presently roadless areas, but the upgrading of roads in presently roaded areas.

One of the concerns I have, and I am sure you three would share, is the impact that that might have upon the esthetic and environmental qualities in areas where the roads now exist. I am sure that the Forest Service believes that they are responding to environmentally sound requirements when they rebuild a low-standard road to a high standard road. I am not certain that they are.

It seems to me they have more engineers on their payrolls than they need, yet I was told a few minutes ago they didn't have enough to increase the bridge building budget above $5 million a year. I wonder if you could comment in that regard, in regard to your view of the environmental impact, the adverse environmental impact that would exist or that favorable environmental impact on the rebuilding of current low standard roads.

Mr. EVANS. We have never been very excited about what we consider to be overengineered roads. They always take you to places where you can see the way it used to be. It is all torn up, and the cuts and fills are massive and way out of proportion to the natural environment there. We share this view with the industry that we don't like to see overengineered roads. We question the alleged multipurpose need of these roads.

Mr. SMITH. I would agree in many instances that is the case. However, there are other circumstances which do distress me. I think some of these roads have slides, cave-ins, erosion takes place, you get siltation, and a general real bad collateral environmental effect as a result of an abandoned road. If the road is not built on grade and you have the things that Brock is talking about, leave it alone. There is no reason to bring it up to a standard that is not required. I would agree that it depends upon the circumstances, through I can see circumstances where it would be necessary.

I have one in mind close by in Virginia. In the first place the road should never have been constructed. It was built and then abandoned. Then the mud slides began and this in turn led to other problems. They have got to do one of two things. They have to build that road to a different standard, or if they abandon it, they have to go in there and really clean up the mess that the road left. In some cases the matter may be just as important as building new roads. Just get rid of the remnants of an old one damaging the environment.

Mr. TOWELL. This came more sharply into focus in some of the national parks. To handle large numbers of people some park planners decided they needed straighter roads and less grade. The real answer seems to be not to encourage speed and large numbers of visitors. I think the same is probably true of forest roads. If it is functional, leave it alone. Repair pot holes. Don't worry about the curves and grades, so long as it serves the purpose for which it was built—the removal of timber, management and public access. I think it would be poor conservation to bring it up to standards just because we have better engineering now.

Senator McCLURE. The thing that concerns me is where a road is marginal, it is functional but below standards, then they go back in and have some further timber harvest in the same area, there may be an alinement or width or grade question, but nevertheless the road might service the additional timber harvest in that area without reconstruction, and yet reconstruction is required. I would judge that each of you would say where that judgment is clearer, the judgment ought to be applied on the side of not reconstructing the road.

Mr. TOWELL. Minimum adverse environmental impact.

Senator McCLURE. I have some areas in my State where there is no timber harvest at the present time, no harvest in the immediate future is contemplated. Nevertheless, there is a low standard road into the area used by hunters and fishermen and recreationists. But by any standard it would be thought to be unsafe for modern travel. Yet hundreds upon hundreds of people use those roads. For service purposes perhaps—well, I will not say perhaps, because I know from conversations with them—are concerned about their liability to the traveling public in allowing the use of a road which might be thought by some to be dangerous. Yet to me there is nothing that is worse for the environment, than building a road which might be thought by traffic engineers to be safe in some of those areas.

Mr. SMITH. Sometimes the traffic engineers overdo themselves. Washington is a good example. The traffic engineers tend to have an attitude about building roads to standards, not only as to width, its ability to stand stress, the various types of temperature changes, et cetera, but they have an attitude that they should go the shortest route between two points. This does not necessarily make a safe road. This often increases the average speed of the vehicle. In many cases, the whole justification is safety, despite the result that after the improvement, the accident rate increases significantly.

Senator McCLURE. There is a certain amount of back country that I hope we never make too safe. It is not worth going to. I think we all share that concern. One of the difficulties we have now apparently is there are two standards, and two only. One is if we are going to have a wilderness, on that we will have a multiple use management. It appears to me there ought to be something that lies between those two that would allow us a lower level of usage for areas that are not of commercial logging value, that have resource values of multiple use, that will not be put in a wilderness system, but will not require the building of a modern highway that will get people in there to use it.

Mr. TOWELL. Mr. Chairman, I think our wilderness program is suffering right now because we are either wilderness or not wilderness. I agree fully we are going to have to have some gradations. Some designations of land are necessary which are kept primarily for esthetic and scenic beauty and this type of thing, but still have some use. This may be heresy with my friend Brock Evans over here, but I think some of our wilderness areas are going to require management in the future.

Wildlife, for example, there are things that can be done to greatly enhance the productivity of a wilderness area for wildlife. I can even envision the time to come when we might have management roads into wilderness areas, and should have.

Probably the best answer is a gradation system of something between strictly multiple use and wilderness.

Mr. EVANS. Part of this point you raised, I think, may be philosophical in that at least our group, for one, disagrees with the Forest Service's interpretation of what they can and cannot do under the terms of the Wilderness Act. We think they are too rigid under their interpretation. We feel you can do more than the Forest Service says you can.

No. 2, as to the rest of the Forest Service land, the rest of it, this could easily fit into the category you mentioned, if we could get the Forest Service to change their own approach to it. They don't need to overbuild in many of these places. We have no objection to designating large areas of wooded country to that purpose.

Senator MCCLURE. I can think of dozens of cases, and I am sure you can, too. I am also concerned about the current policy which I see the Forest Service just beginning to implement in my State, where they are going to close low standard back country roads to vehicular travel. I am not at all certain I agree with that, particularly philosophically.

Mr. SMITH. I don't agree with that philosophy in particular, Senator. I gather that one of the problems that the Forest Service is faced with is personnel, I think you might add that all of our natural resource management planners and agencies of Government, have fared very badly over the last decade in terms of appropriations. They have great numbers of temporary employees. They are not picking up enough younger people coming out of college for the simple reason they feel they must give some preference to certain temporaries. I am not trying to downgrade the Forest Service, but I am saying that they have lost a considerable amount of expertise. I think too they lost a lot of what I call generalists, who were Foresters with a broad back. They are not lawyers or engineers, but they were Foresters on the ground.

These areas are used by more and more people, with corresponding increasing costs. A lot of these people are less sophisticated. They come from urban areas and they are trying to escape the urban blight and when they travel to these areas they are not well oriented. Many have not had an experience in the park or forest. Many get lost. Some of them get hurt. The cost increases accordingly to the Forest Service and to a lesser degree other agencies. I hate to see this. I like to see the jeep go back on the old roads. You can get out and move some logs and go in there and do some exploring. It is one of the things that adds charm to the area.

As I understand, they are starting out to try and cut this down to hiking during the tourist season. Perhaps it may be a little more relaxing. At the height of the season they feel that perhaps people who are there are less equipped to handle these kind of situations. I have a little more compassion for management problems in this area.

Senator MCCLURE. I have compassion for the problem, and I recognize that you have correctly identified that there are growing numbers of people who are impacted into those areas. A lower growth might have withstood the volume of traffic, but the increased volumes have caused erosion problems, and during hunting season when the roads are wet, it may cause a rutting of the road. I am not certain

the answer lies simply in closing that road or building a modern highway.

Mr. SMITH. I could not agree with you more.

Senator MCCLURE. Somewhere we have to find something that fits this definition of roads and trails. I use both because I don't think we should be exclusively one or the other. We have to find a measure of management tools that permit the people to use at optimum levels the resources that are there without simply saying, "We will do it all one way." It is that "either/or" that is causing us problems.

The Forest Service and the Idaho Fish and Wildlife decided they would do some selective burning on certain winter ranges in Idaho. A careful analysis of the plan, if it had been implemented, would indicate that almost half of that proposed burning was within the wilderness area, designated, in Idaho. I doubt very much they have the authority to burn the wilderness areas. Perhaps they should have. Perhaps they should not. But I think under the present statute they have not the capacity to order and prescribe those burns.

Any further comments?

Mr. EVANS. I can't resist on the questions of forest fires in the wilderness areas, I think my quick reading of it would indicate they probably do, since they have the authority to protect outside areas from forest fires. This can be a method of protecting commercial areas.

Senator MCCLURE. That wasn't their purpose. The purpose was to remove brush so there could be a regeneration of brush so the elk could have better grass.

Senator MCCLURE. Thank you very much, gentlemen.

[Statements of Mr. Smith, Mr. Towell, and Mr. Evans follow:]

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STATEMENT BY DR. SPENCER M. SMITH, JR., SECRETARY OF THE CITIZENS COMMITTEE ON NATURAL RESOURCES, BEFORE THE SUBCOMMITTEE ON TRANSPORTATION OF THE SENATE PUBLIC WORKS COMMITTEE REGARDING FOREST DEVELOPMENT ROAD AND TRAIL PROGRAM - JULY 14, 1975

Mr. Chairman, Members of the Committee:

I am Spencer M. Smith, Jr., Secretary of the Citizens Committee on Natural Resources, a national conservation organization with offices in Washington, D. C.

We have been concerned with the management of the National Forests from the inception of our organization and, specifically, we have participated in many hearings regarding the road and trail program in the National Forests.

At the present time there are two ways in which roads are constructed in the National Forests. The first is when the road is designed by the Forest Service and bids are let for construction. The contractor proceeds under this system by being paid at the end of each month on the work accomplished plus the necessary invoice materials. Approximately 10% of the final payment is withheld until the completion of the road. Funds are paid from appropriations in the Forest Service Budget.

The second means by which roads are constructed is different in that the timber purchaser builds the road, deducting the cost of it from the price of the timber he buys. This has the effect of reducing the price of the timber at the time of sale -- presumably by the cost of the road.

The last Act passed dealing specifically with roads in the National Forests was October 13, 1964. Since 1964, the method of financing has changed markedly. For example, roads constructed directly by the Government from appropriated funds was $52.5 million in 1967, $110.5 million in 1972, and $11.9 million estimated for 1976. Thus, in the last four years there has been a 91% reduction in road construction from appropriated funds.

In the second instance, where the timber purchaser builds the road as a result of a lowered price of timber, the amount in 1967 was $59.4 million, in 1972 -- $116.8 million, estimated for 1976 -- $210 million, or a percentage increase in the greatest year of 253%.

As a result of the emphasis on the source of funding, almost no roads are now constructed under direct contracts and paid for by appropriated funds. Thus, almost all the roads now constructed are for timber harvesting, leaving practically none for the other multiple uses.

Many members of the conservation community concerned with the management of the National Forests, have viewed the problem of roads and trails with mixed emotions. While our tendency is to support the Government constructed roads under the method of direct appropriations because of the many advantages (such as being built to a higher standard, less damage from erosion and improper methods and the fact that it serves all the uses including (but not exclusively) timber harvesting), this support has often been construed that we agree to all roads -- irrespective of placement.

In the complexity of National Forest management there are often conflicts as to which areas should be developed. Preservation such as the wilderness system, wildlife habitat, various types of recreation, all must be considered in any road and trail program. Assuming that these needs will be given ample consideration, along with timber harvesting, then we would prefer the direct approach with the Government letting the contracts.

There are a variety of reasons why it is more equitable in the long run using the direct approach. When the timber harvester constructs the road, the cost is always an estimate and it is never really known to what extent the completed road reflects the estimate. There is the constant management problem because of fluctuating market conditions as to what type of road will be considered adequate as judged by the Forest Service and the timber harvester.

The multiplicity of uses in the National Forests can hardly be enumerated, but for purposes of consideration here, the importance of wildlife habitat and watershed protection are matters of great concern to many who utilize the resources of the forest. The planning of the trail system has always been difficult because of lack of funds and has not had the high order of priority that it should receive. The very purpose of the trails is to support and enhance the experience of being in a National Forest. If, in their design and construction, they are destructive to the purposes for which they were undertaken, then the result is a negative one.

An effective and improved system of forest roads and trails has been lagging far behind in the last decade. Some of the single-purpose timber roads have been all but abandoned after their original function was performed. It is our hope that this Committee will look with considerable favor on encouraging the Forest Service to utilize the direct method of road building so that the public can be properly informed as to the location of the roads and as to the cost. A greater participation by State Fish and Wildlife organizations in concert with the Forest Service's own professionals in the design and purpose for a trail system also would be useful.

We thank the Committee for the opportunity to present our views.

Statement
of
William E. Towell, Executive Vice President
The American Forestry Association
1319 18th Street, N. W. - Washington, D. C. 20036
before
Subcommittee on Transportation
Senate Committee on Public Works
pertaining to
Forest Development Roads and Trails

July 14, 1975

Mr. Chairman, I am William E. Towell, Executive Vice President of The American Forestry Association, a citizen conservation organization of 75,000 members now celebrating its Centennial year. Our Century of Conservation activity has been highlighted by our concern and support for the public forests of this nation. Roads are a vital part of the use, protection and management of these forests.

Since we are considering neither legislation nor appropriations here today, let's take a brief look at the functions and importance of roads on the National Forests. Roads serve three basic purposes, all equally important in total but not necessarily of equal importance in every instance. The first of these is management, the use of roads to properly care for public forests. If forest managers are to do their job, they must have access--for protection from fire, insects or diseases; for surveying and marking boundaries; for timber marking; for tree planting, and for all the functions that constitute professional care of the forest. Secondly, roads are necessary for removal of products from the forest. One of the original purposes for which the forest reserves were set aside was to furnish future supplies of wood, forage, minerals and other products from these public lands. Although there may be conflicts over where and when some commodities shall be taken from public forests, there is no question about the necessity and importance of such commercial use. And, finally, roads are very necessary for public recreational use or access to the National Forests. Hunting, fishing, camping, hiking and other recreational pursuits require access which only roads and trails can provide. So, if the Forest Service is to carry out your mandate that National Forests will be managed for multiple uses and sustained yields of the many products and services which these forests can provide, then an adequate road system is a necessity.

Roads are built on the National Forests under three program authorizations: (1) ten percent of receipts for states, which represents a permanent authorization; (2) an appropriated funds program under the Federal Highway Act, and (3) a timber credits authority under sales contracts. Total road construction funded in Fiscal Year 1976 is $332 million, with $45 million from ten-percent funds, $113 million appropriated funds, and $174 million through timber credits. All of these authorities play an important part in meeting total road needs and give the Forest Service desirable flexibility in implementation of an overall forest road plan. We would recommend that all three existing methods of road building authority and funding be continued.

The Humphrey-Rarick Act of 1974 requires that the timber credit construction program become a part of the road budget submitted to the Congress and that Congress establish the total program level for forest roads. This new law also requires an assessment of all transportation needs and the development of a program and budget requirements to achieve full management levels. Before any drastic revisions are made in National Forest road construction procedures or funding, it is recommended that Congress wait until the Humphrey-Rarick Act is fully operational and the new system given a fair appraisal. The most important need in the forest road and trail program is for a total plan that will meet all road requirements on the National Forests and then a funding program designed to achieve these objectives. Hopefully, this new law will achieve that end.

The biggest controversy over National Forest roads concerns the unroaded areas which under the Wilderness Act are eligible to be considered for wilderness designation. Until the total wilderness issue is resolved, in both the West and the East, there will be strong objection to any new roads in major unroaded areas. It is largely the virgin timber areas of the West and in Alaska that are at the heart of this controversy, and we strongly recommend an early resolution to the wilderness question so that a National Forest road system will not be in direct conflict.

As a final comment, we would urge higher standards in forest road construction, particilarly roads built under timber credits authority. Most roads should be of permanent type construction that can serve both management and recreational needs after the logging trucks are gone. They should also be built according to soil and water conservation practices that will protect downstream areas from siltation and flooding. Most of the water pollution problems from logged-over areas result not from the logging itself but road construction and related land disturbances associated with the operation. Both higher standards of road construction and better supervision of contract construction would seem in order.

We hope these few comments might be of some value to this Committee, Mr. Chairman, and we thank you for the invitation to appear here today.



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STATEMENT OF BROCK EVANS

DIRECTOR, WASHINGTON OFFICE SIERRA CLUB

BEFORE SUBCOMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON PUBLIC WORKS

REGARDING OPERATION OF FOREST DEVELOPMENT

ROAD AND TRAIL PROGRAM

WASHINGTON, D.C.

JULY 14, 1975

I am the Director of the Washington Office of the Sierra Club, which as you know is a national conservation organization with chapters and groups in all fifty states. We welcome this oversight hearing which seeks an evaluation of the forest roads and trails program as it relates to the overall management of the national forests not only because as an organization we have been deeply concerned about our national forests ever since the turn of the century when we participated in their creation, but also because the great bulk of our membership either lives near units of the national forest system or are users of them for recreation purposes.

The letter of invitation to testify here stated among other things that the committee wants "to examine the impact of current methods of financing forest road and trail construction on long-term forest productivity... and "to solicit suggestions for improvement in the administration of the road and trail program in order to draft new legislation, if such is found desirable."

We trust that the phrase "long-term forest productivity" implies a desire to examine the impact of the forest road and trail program on all of the multiple use values contained in our national forests, as defined under the terms of the Multiple Use Act, and not just those relating to commodity, particularly timber, production. We think this is important, because we share the views of Mr. Robert Wolf of the Congressional Research Service who in a staff memorandum of April 15th stated "a need exists to review the entire road program and to consider the extent to which orderly harvest of national forest timber, and the orderly development towards securing the optimum level of multiple use management and sustained yield of resources is aided or inhibited by the present policies and practices." We commend the committee for undertaking what we hope will be precisely this kind of long-term and in depth review of the impact of the road program on all forest resources, from wilderness to full-scale commercial logging.

We believe that the impacts of the national forest road program have been massive upon other values and resources of the national forests, and in all too many instances, detrimental to other multiple use values. While we by no means recommend that no more roads be constructed, we do believe that the time has come for a large scaling down of this program, and much more attention to its adverse environmental impacts. We believe that it is possible to demonstrate that while a certain amount of roading was necessary and beneficial to the proper administration of the national forests, that we have by now passed a point of diminishing returns in this program. Despite claims to the contrary, the overwhelming number of new roads built within the national forests are only there because of the possibility of extracting timber in the area. They may be called "multiple use" or multi-purpose" roads, but their reason for being is timber, just one of the multiple uses.

Extent of the Forest Road System.

At the outset, it is important to realize where we are now; it is not as if the national forest system is a howling wilderness anymore, and in need of roads to serve the recreation public, as well as the logging public. At the present time, there are now 206,200 miles of roads inside the boundaries of our national forests-enough to drive across the United States from coast to coast seventy times. In my own State of Washington, there is an area known as the North Cascades, about three or four million acres of national forest and national park land, with some of the most superb scenery and wilderness in the United States. And yet even the North Cascades has at least six thousand miles of roads inside the national forest boundaries-enough to drive back and forth across the country.

These roads in the North Cascades, as well as elsewhere in the national forest system, penetrate to every portion of the forest: deep valleys, high meadows, forests, deserts, and glaciers, and even mountain tops. Thus, to those who say there is a great need for more "multi-purpose" roads to "open up" the national forests so that the average person can drive in to see them, we say and in almost every area, huge samples of the national forests are already open to such roads. The scarce thing to find in the national forest system these days are areas, particularly low elevation areas, without any roads.

There is something else that should be pointed out here: the term "forest roads and trails program" is a misnomer; there are hardly any new trails being built, compared to roads. For example, in FY'1974, 7,237 miles of new roads were constructed. 296 miles of new trail were built- a ratio of 24 miles of road to every mile of trail. And this is the case every year, year after year. If we are going to have an honest review of this program, we should "tell it like it is" and call it what it is-the forest road development program.

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The National Forests Are Designed To Serve Many Uses, Not Just Timber.

It has been sometimes stated that the original purpose of the national forests, as set forth in the Organic Act of 1897 was to furnish a supply of water and timber for the citizens of the United States. And it has been further said that there has been a trend away from these principles in favor of more protection of other multiple use values in recent years.

We submit that that was not the case, and that the national forest system from the very beginning, was designed by Congress for other values than timber and water. The specific words of the Organic Act, in relevant part, are as follows: "no national forest shall be established, except to improve and protect the forest within the boundaries, or for the purpose of securing favorable conditions of water flows, and to furnish a continuous supply of timber for the use and necessities of the citizens of the United States." [1] (Emphasis supplied). Thus, by any realistic analysis, the first purpose of the national forests was to improve and protect them, not to log them; the aim of supplying timber was not the primary reason for their establishment.

The Multiple Use-Sustained Yield Act of 1960 [2] simply re-emphasizes this original policy. It plainly names five equal uses for the national forests: recreation, range, timber, watershed, and wildlife and fish. In addition, it states "the establishment and maintenance of areas of wilderness are consistent with the purposes and provisions of this Act." [3]

Thus we see that the plain mandate of Congress, from the very beginning, has been that timber is only one of the uses of the forest, and not a primary use.

[1] 30 Stat. 35, as supplemented; 16 U.S.C. 475.

[2] 70 Stat. 215; 16 U.S.C. 528.

[3] 16 U.S.C. 529.

But what has been the road development policy of the national forests?

The National Forest Road Program Is Primarily For Timber Purposes And Often Destroys Other Values.

We believe that it can be easily documented, especially in recent years, that the overwhelming bulk of all forest road construction, whether by appropriated funds or otherwise, takes place in order to extract timber from the national forests. It is true that the public justification often given for many forest roads is that they are needed to "open up" or to "provide access" to national forest resources. But we have already seen that there are 200,000 miles of roads in the national forests, already going to every kind of resource, in every place. Surely it cannot be argued that the recreation public, for example, somehow demands an extra seven or eight thousand miles per year. And surely it is not claimed that road building benefits wildlife resources. And as to the claim that more roads provide greater fire protection, we think an analysis will show that some of the most severe forest fires in the Pacific Northwest took place in areas laced with logging roads.

It seems plain to anyone who travels through the national forests, at least in forested areas, that the overwhelming purpose of any national forest road is to permit the timber industry to extract timber. We are not opposed to all, or even most, timber cutting on the national forests; but we believe we should recognize this fact. The design of the road, the specific places to which it may go, all are dependent upon what commercial timber resources are there. The Forest Service can confirm this tendency, especially in recent years.

A few specific examples, typical of many others, perhaps illustrate this point. The Dean Ridge Road, built in the Flat Head National Forest in Montana a few years ago over protests of the State of Montana Fish and Game Department, intruded into a critical wildlife habitat area, and damaged a fine wilderness and scenic resource; its purpose was to get timber, and it was built with appropriated funds.

The same is true of the Blue Ridge Road, in the Nez Perce National Forest, and the Elk Summit Road in the Clearwater National Forest, both in Idaho. Both intrude into proposed wilderness areas, both damage key wildlife habitat, both are built with appropriated funds-and both are for timber access. The Elk Summit Road was built on such fragile soil that a million dollar slide into White Sand Creek, a tributary of the famous and heavily used recreational river, the Lochsa, took place, and damaged the fisheries. The Lewis River Road in the Gifford Pinchot National Forest in Washington State is the same kind of road, and built for timber purposes. It ruined what used to be the finest low elevation riverside trail recreation experience in the entire forest, and replaced it with just another road, replete with logging, in an area which is already laced with similar kinds of roads.

In fact, all throughout the western United States, we see increasing roads being built with appropriated funds farther and farther into the remaining scarce back country resource, destroying forever what wildland values there might be, and damaging wildlife habitat. Exhibit A is a summary of a paper "The Influence of Roads on Elk Population," which points out the strong feelings of various state fish and game departments that excessive roading in their areas has resulted in decline of elk herds, or alterations of hunting seasons.

The Forest Roads Program has had an extremely adverse effect on the forest trails program.

Another irony of the so-called "Forest Road and Trail Development Program" is that fact that road building in the national forests over the last twenty years especially, has had a drastic adverse impact on trails. Any supervisor of any Northwest national forest can tell this committee that there has been a great decrease in trail mileage in his national forest due to the road building program-which as we have seen, is almost exclusively for timber purposes.

When I was the Northwest Field Representative, in the late 1960's we made a survey of two Oregon national forests, the Umpqua, and the Mount Hood. We were looking for what we called "lowland forest trails," a trail in a heavily forested area which would provide a recreation experience nearly all year round-an important consideration in an area where the high country is covered with snow for nine months of the year. We found out that in the Umpqua, there had been a 75% loss of trails in low elevation forested areas since 1950; and in the Mount Hood Forest, the total was close to that. We are certain that national forests would show the same loss. The trails are lost because they are replaced with logging roads and logging. And of course as a result, the recreation and visual experience is either destroyed or greatly damaged. Often wildlife is adversely affected as well.

In 1968, I conducted a study of valleys in the national forests of the Oregon Cascades, to determine how many still remained unroaded, and thus offering a kind of recreation/visual/wildlife experience not to be found in valleys which are roaded. We found out a surprising and disturbing fact: of some 70 major valleys of ten miles in length or more inside the national forests, only three were not roaded and logged. Of some 275 valleys of five miles or more in length, only seven were unroaded and unlogged. This data of course ties right in with the figures on low elevation trail loss, already documented above. The point is that roads are nearly everywhere already inside the national forests; they penetrate to nearly every kind of place. The truly scarce and vanishing resources in the national forests are low elevation, forested, unroaded places. This is the hardest thing of all to find in any national forest anywhere in the country anymore.

The method of financing forest roads.

We believe it can be demonstrated that nearly all of the prime commercial timber on the national forests, which everybody agrees should be managed for commercial purposes, has already been accessed by the national forest roads system.

The vast bulk of whatever timber remains which might somehow be logged is generally located far in the back country, in isolated pockets and scattered stands, on steep slopes and poor soils, in areas of critical wildlife habitat and great scenic beauty. Since most of this timber is on very poor sites (site 4 or 5), it does not reproduce itself very well, and is not truly economical to extract from any kind of long-range investment standpoint. The only way it can be extracted in an economical sense is through the building of roads payed for by the tax payer which are called "multi-purpose" roads, but which are really there to get that timber out. We consider this a direct subsidy to the timber industry, and because other values are so grossly destroyed, as we have already pointed out, is no longer an appropriate practice.

As a general principle, we can favor the continued building of more roads in the national forests generally only when the commercial timber resources to be extracted can pay for the cost of the road. Otherwise, it is simply a subsidy to the timber industry, regardless of what the road is otherwise called.

We recognize that many of the forest roads do serve recreation and other purposes as well as timber. But they have already been built, and go to every kind of recreation place. What is scarce in the national forests anymore are unroaded areas.

The Need For Timber.

It is sometimes said that we need to expand the forest road building program to provide access to more commercial timber, because demands for wood are continuing to grow and only the national forests can provide that wood.

It is true, especially on the west coast, that private lands are being liquidated at a rate far faster than the timber is being regrown. Exhibit B, attached hereto, is the title page of a study dated May 8, 1975 from the Library of Congress on the Douglas Fir Region timber supply situation, which

documents this fact.

But we reject the notion that the national forests should bear the burden of picking up the timber slack just because the private timber companies are liquidating their own stands beyond sustained yield principles. The multiple use laws would have to be changed to accomplish this; but right now, the forests are designed to serve many uses, not just timber.

We believe that any kind of comprehensive case by case analysis-which we hope this committee undertakes-would easily show that by far most of the truly commercial parts of the national forests have already been roaded and accessed for logging purposes. And there is no argument that these parts of the forests should be so managed.

What we are mainly concerned about are the few remaining lowland forested areas in an unroaded condition, or where trails still exist. And we are concerned about the remaining forests far off in the remote back country, but higher elevation, which provide food and shelter for wildlife, and superb recreation and wilderness experiences. When we already have 200,000 miles of road, to say that further roads in these types of national forest terrain are "multi-purpose" roads, we believe perverts the meaning of this important term.

We feel that for too long, the most significant way of increasing wood production has been ignored. It comes not from the scarce remaining scenic and wilderness resources on the national forests, but rather from the trees which are already cut and are being processed. There are tremendous opportunities for better utilization of what wood products we now extract, and we would be happy to furnish documentation. Simple things, such as improving the quality of saws, or using computers, can stretch wood usage in the mill by 15 to 40%. Lowering the diameter of material required to be taken out of the woods can greatly increase the volume too. Anyone who has been through a typical clearcut on the Northwest knows that sometimes up to 80% of the <u>usable</u> volume of wood is left laying on the ground.

Exhibit C talks about a new use of composite material called Com-ply, which hopes to make use of some of the materials now considered "waste" and residue by our wasteful timber industry. As this exhibit points out, 55% of a log in plywood manufacturing now becomes sawdust, bark or chips. And when a log is manufactured in a lumber, as much as 60 to 70% of the log goes into these products. It is a known fact that in Japan, they get two to three times as much lumber out of the same log as we do generally in this country.

Conclusion.

We believe that generally, with perhaps a few exceptions, the Forest Road and Trail Program (which really should be called the Forest Road Program), has outlived its original commendable purpose of "providing access" to all national forest resources. They now exist primarily to subsidize the timber industry, to permit it to extract forest from places with important other public values, to their detriment and damage.

There are other ways to provide more wood supply for the American people; but it is primarily only in the national forests that we are going to be able to provide more wilderness, scenic beauty, wildlife habitat, and prime recreation experiences.

Therefore, we strongly urge this committee to undertake a truly comprehensive review of the whole basis of the Forest Road Program, and no longer to give blanket approval to the expansion of roads into unneeded and unwanted places. We would be happy to assist in such a review. Thank you.

Exhibit A

A BRIEF SUMMARY
OF THE
INFLUENCE OF ROADS ON ELK POPULATIONS
By
Charles Sundstrom and Elmer Norberg

February 1973

The influence of roads and related human activity on elk herds in back country areas has never been clearly defined. For this reason, we requested comments on this subject from all state and provincial Fish and Game Departments which currently support sizeable elk populations. The questions asked were as follows:

1. Have any elk herds in your state or area been influenced detrimentally by road construction? If so, please explain.

2. Are your larger elk herds generally associated with roadless, wilderness, or less accessible areas?

3. Have any of your elk herds declined in numbers or changed their distribution as a result of road construction?

4. Have you altered elk hunting regulations because of accessibility due to excessive roads? If so, how soon is a regulation change needed after road access is provided?

5. Have increased roads brought about increased human activity which changed the location of elk calving areas, summer concentration areas, winter concentration areas, etc.?

6. What are your cow:calf ratios in your less roaded areas as compared with your more roaded areas?

7. At what level of human activity do you feel that elk herds are materially disturbed, i.e., significant seasonal distribution changes as a result of increased human activity?

A 100 percent return to the inquiry was obtained. We appreciated the time and effort all individuals spent in providing information.

From the information received, several conclusions seem evident:

1. Those states and provinces supporting large populations of elk all cite examples of detrimental influences of road construction on elk populations. These were Montana, Idaho, Oregon, Wyoming, New Mexico, Colorado, Alberta, and British Columbia. Contrary to these areas, Washington, Nevada, and California have indicated no detrimental effects; however, except for Washington, only small populations of elk inhabit these states.

2. The larger elk populations are associated with roadless, wilderness, or less accessible type areas.

3. All of the larger elk-producing states and provinces report instances where elk herds have declined in numbers or at least changed their distribution as a result of recent road construction and related increase in human activity.

4. Several examples were provided where hunting seasons have been altered as a result of increased access. These situations exist in British Columbia, Alberta, Idaho, Montana, New Mexico, Wyoming, and Oregon.

5. All Canadian provinces and all states except Washington, Nevada, and California indicate that roads brought about increased human activity which ultimately changed elk distribution.

6. No correlation was reported between cow-calf ratios and the amount of roads existing in a particular area. The general consensus indicated that cow-calf ratios are more related to overall habitat conditions than to road construction and human activity.

7. Very little data is available concerning the level of human activity which materially disturbs elk populations. Elk populations in National Parks of Canada and the United States tolerate more human activity than populations outside of parks primarily because they are not hunted.

Oregon feels that 2.6 miles of roads per square mile of summer habitat far exceeds the acceptable limits for maintaining elk populations, and that one mile of road per square mile of summer habitat would appear less detrimental.

It is interesting to note the amount of land taken out of production as a result of road construction. For each mile of road, 10 ft. wide, constructed, 1.21 acres of land is consumed. As the width of the road increases, more land is lost to production. A road one mile long and 50 ft. wide consumes 6.06 acres. With an increase in human population and a corresponding increase in land use, the question can be asked, how much public land should be consumed by road construction?

The most important conclusion that can be drawn is that there is a need now to evaluate all road construction plans on public lands where wildlife values are involved. It is important to determine if the natural environmental values involved are being protected, and if not, to what degree they should be, by restricting road construction planning.

The following discussion summarizes the material received, by state.

Exhibit B

The Library of Congress
Congressional Research Service
Washington, D.C. 20540

THE DOUGLAS FIR REGION TIMBER SUPPLY SITUATION AND LOG EXPORT REGULATION AS PROPOSED BY H.R. 5544

By

Robert E. Wolf
Assistant Chief
Environmental Policy Division

May 8, 1975

Exhibit C

PRESS ANNOUNCEMENT FOR IMMEDIATE RELEASE

Dept. of Housing and Urban Development
American Plywood Association
Forest Service, Dept. of Agriculture

News Contact: Louise Parker
503/234-3361, ext. 4992

A demonstration house built of new composite wood materials that could revolutionize the wood products and construction industries will be shown to builders and to top government and industry officials at a site near Vancouver, Washington, in June and July.

The house will be the first dwelling in the United States to be built almost entirely of COM-PLY studs and composite flooring and siding panels. These new materials are manufactured of particleboard cores with outer layers of veneer. The particleboard is made from woodchips, bark, and glue.

The U.S. Forest Service has for several years been encouraging development of composite wood products. With this method of making lumber, nearly all of the tree can be used for high-value wood products, the kind used in home building. Another goal is to help solve the problem of cyclic shortage of lumber during peak homebuilding periods.

In today's plywood manufacturing, 55 percent of a log becomes sawdust, bark, or chips. In lumber conversion, as much as 60 to 70 percent of the log goes into these products. Using the composite building approach, these products could be converted into high-quality construction materials.

Composites, hopefully, will greatly improve the supply of plywood and lumber for residential construction by substantially increasing the supply of usable wood products derived from a tree.

Co-sponsors of the Vancouver demonstration house with the Forest Service are the Department of Housing and Urban Development, which is providing mortgage insurance, and the American Plywood Association. The Plywood Association is

undertaking composite panel testing under contract to the Forest Service, with additional funding from HUD.

The house will be shown to visitors attending three major technical meetings in Portland, Oregon, during June and July. These meetings are the conferences of the Forest Products Research Society (June 16-20); the Building Officials and Code Administrators International (June 29-July 4); and the American Plywood Association (June 30-July 2).

Construction of the 2,320-square foot, two-story house has begun. Completion is scheduled early in June.

* * * *

Note to news media: A press tour will be scheduled at an appropriate time.

Senator McCLURE. Mr. Jim Evans, legislative representative of the National Association of Counties, the last man on our witness list, not the least, but the last.

STATEMENT OF JIM EVANS, LEGISLATIVE REPRESENTATIVE, NATIONAL ASSOCIATION OF COUNTIES

Mr. EVANS. The National Association of Counties has a great stake in the field and resolution of these problems, and we appreciate your efforts to reach some solution.

In the interest of time, I wonder if I could submit for the record our statement?

Senator McCLURE. The entire statement will appear in the record.

Mr. EVANS. I would like to add a resolution we have supporting your efforts here today, that is not a part of that statement.

Senator McCLURE. It will be included as part of the record following your statement.

Mr. EVANS. Thank you very much.

The basic portion of our statement resolves around the excellent report that was prepared for the National Association of Counties by Mr. Tolinar, who has appeared before your committee before. He is the director of Government research for the University of Oregon. He has pointed out some of the financial problems and the land planning problems for the forest. However, we would at this time like to call to your attention our recommendations. The problems have been discussed by almost every witness before you already today, and there is no sense in my restating them.

First, we are especially supportive of your bill, S. 835, to base the 25-percent payments to counties on the gross, not the net. We would hope that that bill would move along with the others.

No. 2, we also support your efforts to assist the timber purchaser with purchase credit problems through your bill, S. 364. We hope with some minor changes that are under discussion, this can be amended to minimize the adverse impact on counties and would become a solution to the problem.

No. 3, we also support a forest road classification system similar to that presented by the U.S. Forest Service today. We think that everyone here today seems to be moving in the right direction, and we would commend your efforts. I will answer any questions you may have.

Senator McCLURE. Thank you for your statement. I am concerned only in the classification that the Forest Service suggested today, only that it has broad ranges of discretion in the overlaps between the classifications of roads. When they reduce the classification to three, they are going to require so many modifications to the applications, that the applications are more important than the criteria. We would welcome some input from your association as to whatever you might judge to be an appropriate classification system that would remove the judgmental differences so that Congress can write a framework that they, the Forest Service, can be asked to follow.

If we simply say we will have three classes of highways or roads within the forest, with one being financed primarily with appropriated funds, the other 50 percent out of primary and out of appropriation

funds, and 50 percent out of timber purchaser credits, and the third classification being primarily out of the timber purchaser credits, it seems to me we invite the Forest Service to make judgments which ultimately end up in about the same posture we find ourselves in today.

Mr. EVANS. Again, we recommend that as what we see as a good way to resolve the problem. We are definitely looking at it from a financial point of view rather than a road management point of view. We have some discussion on page 15 of our statement as to some other possible alternatives to resolve this problem. We hope the committee would look at these other types of proposals as well. There is one that would be financing separately and the road management problem separately.

Senator MCCLURE. I understand this is not directly on the point of this hearing, but on the transfer of the road credits, the National Association of Counties has suggested there be Federal reimbursement for loss of revenues to counties that might be encountered by that bill.

Mr. EVANS. The House and Senate were holding hearings at that time. We had suggested amendments to the House version which is almost identical to your bill. We are anxious to work with the committee, to get a bill that everyone can seem to live with. We think there is a possibility as long as the impacts are not drastic on counties. We can support the concept to help the industry.

Senator MCCLURE. It was my feeling from talking to a number of county commissioners that they were much more interested in getting people back to work and keeping the industry alive than the marginal differences that might be made in their incomes to their counties under that bill.

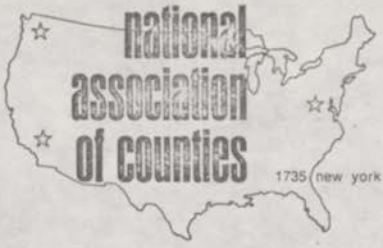
Mr. EVANS. I think the interest of separate county commissioners would vary depending on how drastic the deferral was in their county.

Senator MCCLURE. And also the unemployment, how drastic it was.

Mr. EVANS. Definitely.

Senator MCCLURE. Thank you very much. Your entire statement and resolution in connection with it will appear in the record. I appreciate your patience in bearing with us.

[The statement and resolution follow:]



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STATEMENT OF

JIM EVANS

LEGISLATIVE REPRESENTATIVE

NATIONAL ASSOCIATION OF COUNTIES

ON

NATIONAL FOREST SERVICE ROAD FINANCING

AND MANAGEMENT PROGRAMS

BEFORE

THE SUBCOMMITTEE ON TRANSPORTATION

COMMITTEE ON PUBLIC WORKS

UNITED STATES SENATE

JULY 14, 1975

58-412 O - 75 - pt. 1 - 44

TESTIMONY ON NATIONAL FOREST ROAD FINANCING PROGRAMS, SUBMITTED BY JIM EVANS, LEGISLATIVE REPRESENTATIVE FOR THE NATIONAL ASSOCIATION OF COUNTIES, BEFORE THE SENATE SUBCOMMITTEE ON TRANSPORTATION, JULY 14, 1975.

Mr. Chairman and members of the Subcommittee - Thank you for the opportunity to express the views of the National Association of Counties (NACo).

My name is Jim Evans, Legilsative Representative for NACo.

NACo is pleased that your committee is holding these hearings because we believe current federal policies for financing the roads in our national forests are causing serious financial and resource management problems.

We believe the National Forest Service policy is a classic example of the "penny-wise and pound-foolish" philosophy.

The current policy is to "save" federal funds by forcing timber purchasers to unwillingly build federal roads on federal properties. The timber purchasers must provide all the up-front financing of forest roads for long periods of time until through purchaser credits against timber production the estimated (not actual) construction costs are reimbursed. Counties and school districts are penalized by these purchaser credits by as much as $50 million annually and in effect are paying 25 percent of the costs of these federal roads.

In addition to the financing problems for counties, school districts and timber producers, the U.S. Forest Service is prevented from properly managing our forest resources since they must depend upon timber production for road development.

As part of the NACo testimony, we are submitting a study prepared this year for NACo by Kenneth C. Tollenaar, Director, Bureau of Governmental Research and Service, University of Oregon.

This study provides excellent background data on the financing of forest service roads. For example the report points out on page 4 (Table 1), the authorization levels for financing forest service roads ($188.9 million in FY 1976). However, on page 9 (Table 2) it is pointed out that the estimated Forest Service expenditures for road construction in FY'76 is only $11.9 million. On the other hand purchaser credit financing of forest service roads is estimated at $210 million in FY'76.

The chart on page 10 (figure 3) shows the dramatic shift since 1972 when Forest Service constrution and purchaser credit financing were both at about $110 million annually.

Mr. Tollenaar's report also points out many forest management problems that result from the current short-sited financing policies. On pages 12 through 14 of the report the following problems are described:

- the construction of single lane, single purpose roads for timber production alone, rather than multipurpose roads as intended by Congress.

- roads built to inadequate standards, partly because timber purchasers are reimbursed on estimated costs (not actual costs).

- higher road maintance and hauling costs that often exceed the construction costs.

- an adverse affect on competition by eliminating small bidders who cannot put up the road financing costs.

- prevention of "advance" road building for better resource management.

The report also raises questions regarding the accountability of funds and possible "windfall profits" based on the purchaser credit system -- a system that costs counties and school districts up to $50 million annually.

To resolve the financing and management problems, NACo recommends support for S.835 now before your subcommittee. This bill would save counties and school districts $50 million annually by basing forest receipt payments on gross timber production (rather than reducing payments by the amount of purchaser credits).

NACo also endorsed the concept proposed in S.364 with an amendment that would eliminate any adverse financial impact on counties. This legislation would help timber purchasers by allowing them to receive purchase credits earlier.

NACo also urges your committee to protest the current policy of utilizing purchaser credit financing to an extreme.

Finally, NACo recommends that your committee charge the Forest Service with the development of a workable, functional classification system to identify the types of forest roads most appropriate for each type of financing so that a balance can be achieved between purchaser credit and Forest Service financing.

Thank you again for the opportunity to express our views.

NATIONAL ASSOCIATION OF COUNTIES—FOREST SERVICE ROAD RESOLUTION, WESTERN REGION DISTRICT AND NAC PUBLIC LANDS SUBCOMMITTEE

Whereas, county governments have long advocated development of a National Forest access system which is planned and built to standards consistent with multiple use of forest resources and maximum long range economy; and

Whereas, the benefits of such a system include increased forest productivity, equal opportunity for purchases of National Forest timber, and fair treatment in the payment of shared receipts to counties; and

Whereas, in the absence of adequate appropriations to finance National Forest roads, the federal government has required purchases of timber to build roads which are added to the permanent access system, allowing such purchasers credits against the amounts they otherwise would pay for timber harvested; and

Whereas, purchaser construction orients the access system primarily to the timber harvest program, making it difficult to achieve multiple use objectives, and has other disadvantages, including reductions in the shared revenue payments to county governments, and

Whereas, the proportion of the total National Forest road program financed with purchaser credits plus appropriated funds allocated for engineering and supplementary purchaser road construction has increased from about 50% to 85% since 1972, with serious consequencess for both the National Forests management and for county revenues; and

Whereas, Section 9 of the Forest and Rangeland Renewable Resources Planning Act of 1974 will for the first time result in review of purchaser credit road programming by the Congressional Appropriations Committees as part of the regular budget process; therefore

Be it Resolved, that the National Association of Counties urges the Appropriations Committees to provide for obligation of amounts already authorized to finance Forest Service road programs up to the level of such existing authorizations and to approve financing through purchaser credits only to the extent that existing authorizations fall short of the amounts required; and

Be it Further Resolved, that the National Association of Counties urges that the Congressional Public Works Committees hold hearings in the near future to review the National Forest road program and to determine an appropriate level for future authorizations for this program, and

Be it Further Resolved, that NAC reaffirms its policy of supporting construction and maintenance of National Forest roads through the regular procedure of contracting financed by obligations of appropriated funds and directs its staff to make every reasonable effort to the end that adequate government financing for this program is provided.

Senator MCCLURE. Are there any other persons in the room who would like to be heard? If not, the committee will be adjourned.

[Whereupon, at 2:30 p.m., the subcommittee recessed, to reconvene 10 a.m., Thursday, July 17, 1975.]

FINANCING NATIONAL FOREST ROADS: BACKGROUND INFORMATION FOR COUNTY GOVERNMENT POLICY

(Prepared for discussion at the National Association of Counties' Western Region Conference, at Albuquerque, New Mexico, March 19-21, 1975.)

Road Systems Serving the National Forests

Road systems serving the National Forests are of two broad types. First, the forests are served by systems which are primarily intended to carry traffic through the forests between points outside the forest boundaries. These systems include the federal aid interstate, primary and secondary system, the federal aid Forest Highway System, and miscellaneous state and county roads not on any federal aid system. Except for the state and county roads, these systems are financed from the federal highway trust fund, plus state matching, and thus are primarily funded by user taxes and fees.

The second type consists of Forest Development Roads and Trails, which federal law defines as:

> *...those forest roads or trails of primary importance for the protection, administration, and utilization of the national forests, or where necessary, for the use and development of the resources upon which communities within or adjacent to the national forests are dependent.* (23 USC 101)

Forest Development Roads and Trails provide access to National Forest resources, including timber and recreation areas, and otherwise provide for protection, utilization and management of forest resources. Draft material being proposed for inclusion in the Forest Service Manual would classify Forest Development Roads as follows:

1. Arterial Roads. These provide service to large land areas and usually connect with public highways or other arterial roads to form an integrated network of primary travel routes. The location and standard are often determined by a demand for maximum mobility and travel efficiency rather than specific resource management service. They are usually developed and operated for

long term land and resource management purposes and constant service.

2. Collector Roads. These serve small land areas and are usually connected to an arterial or public highway and collect traffic from service roads or terminal facilities. The location and standard are influenced by both long term multi-resource service needs as well as travel efficiency. Collector roads may be operated for either constant or intermittent service, depending on land use and resource management objectives for the area served by the facility.

3. Service Roads. These roads connect terminal facilities with collector or arterial roads or public highways. The location and standard are usually determined by that required to serve a specific resource activity rather than travel efficiency. Service roads may be developed and operated for either long or short term service.[1]

Figure 1 illustrates each classification of Forest Development Road.

Methods of Financing Forest Development Roads and Trails

In the long run, the burden of financing the construction and maintenance of forest roads and trails is borne by the timber, consumers of forest products, and the general taxpayer. In the short run, however, financing comes from two main sources: (1) direct government financing, and (2) indirect financing from the purchasers of National Forest timber who are allowed credits against the price of the timber in return for financing the costs of the roads. The choice of financing methods has numerous consequences which are discussed in the final sections of this paper.

Direct Government Financing

Most of the direct government financing for Forest Development Roads and Trails is authorized under the biennial Federal Aid Highway Act. Unlike most of the appropriations authorized under the Highway Act, the Forest Roads and Trails appropriation comes from the general treasury rather than the highway trust fund.

1. U.S. Forest Service, Division of Engineering Management, untitled paper, n.d.

Figure 1

FUNCTIONAL CLASSIFICATION OF
NATIONAL FOREST ROADS



Source: U.S. Forest Service

The other major source of direct government funding is the "ten per cent fund" established by 16 U.S. Code 501, which requires that 10 per cent of the receipts from the National Forests be spent for roads and trails within forests located in the states from which such proceeds are derived. In addition to funds authorized under the Highway Act and ten per cent funds, a relatively small amount of additional direct government financing is derived from miscellaneous sources, including funds contributed by users under maintenance agreements, a special allocation of receipts from timber sales from certain Oregon and California land grant lands within National Forest boundaries, and emergency funds for the repair of storm damage.

It should be noted that Forest Service road and trail obligations--the amount the Forest Service is actually allowed to spend from government funds[1]--has, at least in recent years, been considerably less than the sum of the authorization, plus 10 per cent and "other" funds. Amounts authorized for the past ten years, along with the approved obligation level, are shown in Table 1.

Table 1

GOVERNMENT FINANCING AVAILABLE AND APPROVED OBLIGATION LEVELS, NATIONAL FOREST DEVELOPMENT ROADS AND TRAILS 1967 to 1976

(millions)

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Authorizations:										
Highway Act	$ 85.0	$170.0	$170.0	$170.0	$170.0	$170.0	$170.0	$140.0	$140.0	$140.0
Ten Per Cent	16.8	17.5	20.9	31.2	28.8	22.7	33.9	45.5	47.0	48.9**
Other	1.4	1.8	3.8	11.2	11.3	8.4	*	*	*	*
TOTALS	$103.2	$189.3	$194.7	$213.1	$210.1	$201.1	$203.9	$185.5	$187.0	$188.9
Approved Obligation:	$118.4	$122.7	$120.4	$163.8	$175.1	$170.8	$160.3	$140.2	$171.1	$158.3***

* Information not available.
** Estimate.
*** Requested.

1. Further discussion of obligations is presented below, pp. 5-7.

Financing Purchaser Construction

A second method of financing Forest Development Roads and Trails, utilized increasingly in recent years, is to require purchasers of National Forest timber to build roads which provide access to sale areas. When purchasers are required to build roads, the Forest Service credits the purchaser's account with the estimated cost of the road construction. When this method of financing is used, the Forest Service ordinarily does the pre-sale engineering and supervises the work, while the purchaser does the work with his own crews and equipment or hires a road contractor to do it. The Forest Service may supplement purchaser credit financing with direct government funds under certain circumstances. Under federal law,[1] purchasers can be required to participate only to the extent that would be necessary to provide access to harvest and remove the timber from the particular sale. Any additional road width, base, safety features, etc., which are required to provide for uses other than logging must be financed from sources other than purchaser credits.

Figure 2 shows the division of the appraised value of stumpage among various payments and allowances, including the "timber purchaser credit" which is allowed when purchasers are required to build access roads. As indicated by this pie chart, allowances are made in the appraisal not only for the estimated per-thousand board feet cost of the actual road construction, but also the cost of right of way clearing and portions of the overhead and profit and risk allowance which are related to the base cost of the road construction itself. Dollars actually paid to the government for the timber may therefore reflect only a minor proportion of the total stumpage value--a fact of considerable concern to counties which receive 25 per cent of the actual Treasury receipts, not 25 per cent of the total stumpage value.

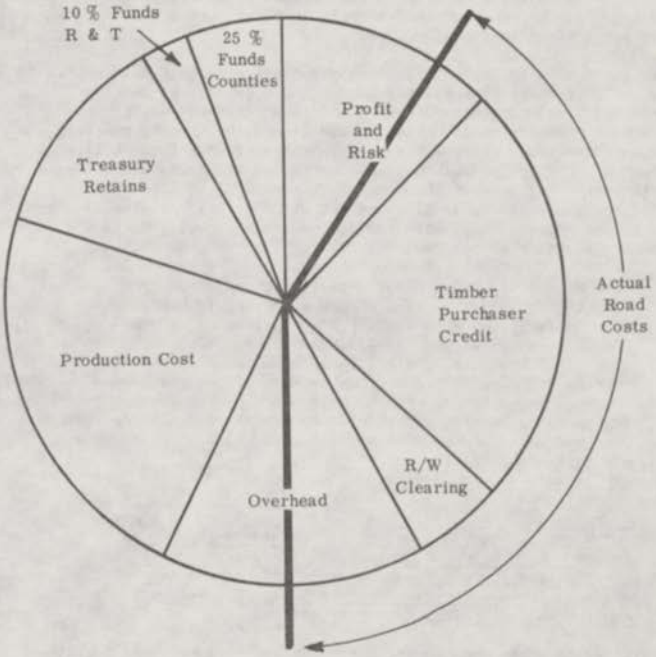
Budgeting Procedures

At the present time, development of the total National Forest Development Road and Trail program for each year involves both (1) biennial approval of an authorization level under the Federal Aid Highway Act by the Senate and House Public Works Committees; and (2) approval of annual program levels (obligations) by the House and Senate Appropriations Committees. Under federal law[2], National Forest Development Road and Trail authorizations are available for contract during the fiscal year preceeding and for two fiscal years succeeding the year of authorization as well as during the year of authorization. Unobligated authorizations lapse at the end of the second fiscal year after the year of authorization, and they may be rescinded before that time upon recommendation by the President and approval by Congress. The sums appropriated are the

1. 16 USC 535.
2. 23 USC 203.

Figure 2

SELECTED COMPONENTS OF APPRAISED VALUE
OF NATIONAL FOREST TIMBER



Source: U.S. Forest Service.

dollars needed to operate a level of contract authority previously determined by the Department of Agriculture and the Office of Management and Budget, and thus actual appropriations made by the Congress for Forest Development Roads and Trails serve only the function of providing cash to pay off contracts made pursuant to obligational authority. The purpose of using obligations as contract authority rather than appropriations is to provide for the lead time which must be available for engineering prior to construction, as well as construction time frames which do not conform to fiscal years.

To date, the authorization-obligation-appropriation process has applied only to the government financed portion of the total Forest Development Road and Trail program. Amounts of road construction to be financed through purchaser credits have been determined by the Forest Service and Department of Agriculture with the approval of the Office of Management and Budget, and without involvement of either functional or appropriations committees of the Congress. However, the Forest and Rangeland Renewable Resources Planning Act of 1974[1] will require a change in this procedure, beginning with the 1976 budget request. Section 9 of this new law provides as follows:

> *Sec. 9. Transportation System.--The Congress declares that the installation of a proper system of transportation to service the National Forest System, as is provided for in Public Law 88-657, the Act of October 13, 1964 (16 USC 532-538), shall be carried forward in time to meet anticipated needs on an economical and environmentally sound basis, and the method chosen for financing the construction and maintenance of the transportation system should be such as to enhance local, regional, and national benefits, except that for the financing of forest development roads as authorized by clause (2) of section 4 of the Act of October 13, 1964,[2] shall be deemed "budget authority" and "budget outlays" as those terms are defined in section 3(a) of the Congressional Budget and Impoundment Control Act of 1974 and shall be effective for any fiscal year only in the manner required for new spending authority as specified by section 401(a) of that Act.* (Emphasis added.)

The underlined language does not prohibit financing of National Forest roads through purchaser credits. However, it will force a review of purchaser road program levels by the Appropriations Committees along with their approval of the direct government financed program level. It will also require the department to justify any failure to use the full amount authorized by the Highway Act while proposing the use of purchaser credits for Forest Roads construction and maintenance.

1. Public Law 93-378; 88 Stat. 476.
2. Clause (2) of section 4 of the Act of October 13, 1964 refers to roads financed through purchase credits.

Trends in Road and Trail Financing

Table 2 and Figure 3 reveal some significant trends and shifts in Forest Development Road and Trail financing over the past decade. During the mid-1960's, the National Association of Counties, in cooperation with several other groups, successfully urged the Public Works Committees of the House and Senate to increase substantially the authorization levels for National Forest Development Roads and Trails. Congress increased this authorization from an annual level of $30 million in 1961 to $85 million in 1965, and again to $170 million in 1968 and for several years thereafter. Although the full amount authorized was never obligated, the obligation level did rise substantially during the late 1960's and early 1970's.

For a period of two or three years, there was some shifting in the emphasis of the program from purchaser credits to direct government financing, a shift made possible by the increased authorization and obligation level. This shift is reflected in the amounts obligated specifically for Forest Service road and bridge construction which increased considerably in 1970 and 1971, reaching a peak of $110.5 million in fiscal 1972. Purchaser credits increased at about the same rate as Forest Service construction during these same years, but not as rapidly as they would have to reach the same total program level had the Forest Service not programmed this large increase in direct government financed road construction.

However, the policy of increasing emphasis on direct government financing changed suddenly in 1973 and 1974 as the Administration tried to respond to new demands not only to increase timber production on government lands, but also to minimize cash drains on the federal treasury. Substantial increases in purchaser credits were allowed by administrative action during those years, and this required a drastic shift in the programming of government funds from Forest Service road construction to pre-sale engineering (location, surveys, plans and supervision) of purchaser road construction. The Forest Service's justification of its fiscal year 1974 budget request stated:

> *The $44,697,955 program decrease has been made possible by shifting priorities to timber access and by assigning a greater degree of responsibility for this access to the timber purchaser.... The shift in the proposed fiscal year 1974 forest road and trail program from direct construction to support activities for timber purchaser road construction is a result of increased timber needs, and the need to reduce Federal outlays.*[1]

The relative emphasis on purchaser credits and de-emphasis on direct government financing has continued to the present time.

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1. House Appropriations Subcommittee Hearings, Department of Interior and Related Agencies Appropriations for 1974, Part 1, p. 591 (93rd Congress, first session).

Table 2

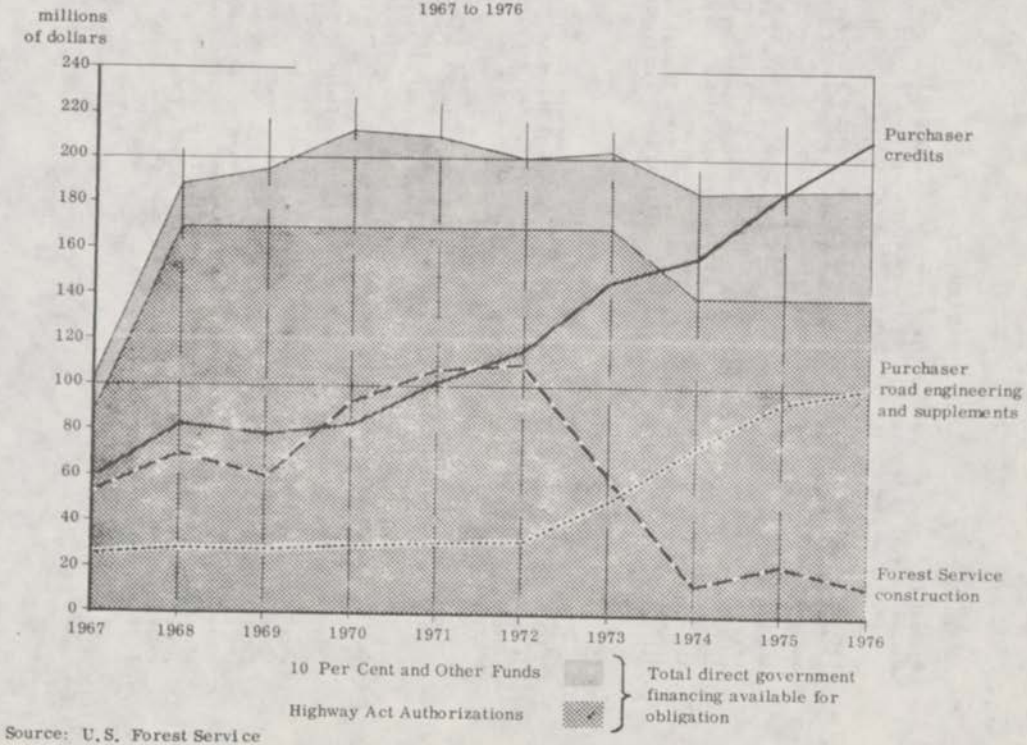
ANNUAL OBLIGATIONS BY PROGRAM AND TOTAL AMOUNT OF PURCHASER CREDITS, NATIONAL FOREST ROADS AND TRAILS
1967 to 1976
(millions)

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Direct Gov. Firespcing										
Road Construction	$ 49.4	$ 63.2	$ 56.3	$ 87.2	$108.4	$110.5	$ 59.8	$ 8.3	$ 15.7	$ 6.4
Bridge Construction	3.1	7.1	4.1	7.2	--	--	--	5.0	6.1	5.5
Subtotal, Forest Service Const.	52.5	70.3	60.4	94.4	108.4	110.5	59.8	13.3	21.8	11.9
Purchaser Road Engineering	20.4	20.0	22.0	22.2	23.0	23.4	39.6	70.5	85.2	93.4
Purchaser Road Supplements	4.5	8.0	4.7	6.6	7.6	7.8	9.4	3.3	8.9	6.8
Subtotal, Appropriated Funds spent on Construction by Purchasers	24.9	28.0	26.7	28.8	30.6	31.2	49.5	73.8	94.1	100.2
Maintenance, Trail Construction and Miscellaneous	41.1*	24.4	33.3	40.6	36.1	29.1	51.0	53.1	55.2	46.2
TOTAL OBLIGATIONS	$118.4	$122.7	$120.4	$163.8	$175.1	$170.8	$160.3	$140.2	$171.1	$158.3**
Purchaser Credits	59.4	83.1	78.7	82.6	102.2	116.8	146.9	157.4	187.4	210.0***
TOTAL ROAD PROGRAM LEVEL	$177.8	$205.8	$199.1	$246.4	$277.3	$287.6	$307.2	$297.6	$358.5	$368.3
Exhibit: Purchaser Credits and Appropriated Funds spent on Purchaser Road Const. as per cent of Total Program	47.4%	54.0%	52.7%	45.2%	47.7%	51.2%	63.9%	77.7%	78.5%	84.2%

* Included $15.6 million in flood and earthquake damage repair and reconstruction.
** Requested.
*** Estimated.

Figure 3

TRENDS IN NATIONAL FOREST
ROAD AND TRAIL FUNDING
1967 to 1976



Source: U.S. Forest Service

County and Public Interests

Impact of Purchaser Credits on County Revenues

Federal law[1] provides that 25 per cent of the money received from each National Forest is to be paid to the states within which the Forests are located, to be used for the benefit of public schools and public roads of the counties in which the Forests are located, in a manner to be prescribed by each state legislature. The states have provided a variety of distribution plans. In some states the payments are used mainly for schools, while in others they are used mainly for roads.

Whether earmarked for schools or roads, the base against which the 25 per cent is computed is the amount of money received by the federal government. When this amount is reduced by allowing timber purchasers credit for the cost of roads built and maintained in connection with timber sales, the counties' 25 per cent receipts are reduced commensurately. At present program levels, counties and school districts throughout the country are losing approximately $50 million annually by virtue of purchaser credits.

Public Interest Considerations

While it is indisputable that financing through purchaser credits involves substantial revenue losses for counties and school districts, it may be that from a general public interest standpoint there are some offsetting advantages in continuing to use the purchaser credit method of financing.

One consideration in this respect is that there may be circumstances under which the choice is between purchaser credit roads or no roads at all. This can occur when short range concerns about the level of direct federal expenditures supersede long range concerns about the quality of the National Forest transportation system, maximizing economy in the use of roads, and other public interest considerations. One great virtue of purchaser credit financing, from the standpoint of the Office of Management and Budget and others concerned primarily with the federal government's fiscal position, is that it reduces direct federal outlays, even though it also reduces the revenues the Treasury would otherwise receive for the timber. Purchaser credit financing is also attractive in the short run because the effect is immediate; the government avoids a cash outlay for road construction which must be substantially completed prior to harvest, while the revenue reductions it suffers occur over a longer time frame, during the period of harvest. Finally, federal budgeteers cannot be unaware of the fact that under purchaser credit financing, local governments are financing 25 per cent of the costs of

1. 16 USC 500.

the roads, even though, as noted below, direct government financing might create conditions under which competition for federal timber would increase and raise the price enough to offset the loss of this involuntary local government contribution.

Another type of consideration favoring maintenance of some level of purchaser credit financing is that some type of spur road construction and maintenance is operationally inseparable from the purchaser's harvest operations themselves. Many purchasers build and maintain these roads with the same personnel and equipment they already have in the sale area for their harvest operations, and they also need to control the timing and to some extent the location of such road work to coordinate their total operations.

While considerations of the federal fiscal position and the operational requirements of timber purchasers suggest that some level of purchaser credit financing will have to be maintained indefinitely, there are several reasons to believe that the ratio of direct government financing to purchaser credit financing should be considerably higher than it is now. Among these are reasons relating to road standards, competition for timber, road locations, and the public interest in effective Congressional oversight of agency operations.

Road Standards

As indicated above, federal law provides that purchasers are not required to bear that part of the road costs necessary to meet a higher standard than that needed in harvesting the particular sale timber harvest. roads are generally single-laned with temporary drainage facilities, surfacing and structures. Roads of this type would be inadequate to serve the multiple uses to which our National Forests are put today, including general public recreation use, as well as uses for forest protection and management. Since under law the extra cost of multiple use roads cannot be borne by the purchaser,[1] some direct government funding is required to assure that timber sale roads (which will inevitably be used for multiple purposes regardless of their actual standard or condition) are built to adequate standards.

Another aspect of the temporary v. permanent multiple use road issue is that long range transportation economies often favor construction of high standard roads, the added cost of which is offset over a long period of time by reduced per-mile user costs. A 1962 study by engineering personnel of the Forest Service's Region 6 concluded that if access roads in Region 6 could be built to planned standards from 1962 to 1983,

1. Many purchasers allege, however, that they are in fact required to build roads to higher standards than the minimum necessary for the particular sale. Although the Forest Service does not require the purchaser to bear the cost of double laning or paving, differences may arise over base requirements, environmental protection facilities, etc.

savings in maintenance and hauling costs alone would amount to $329.5 million, as compared with construction costs of $282 million.[1]

Effect on Competition

As commercial timber available for sale is found to a greater and greater extent in the more remote areas of the National Forests and in more rugged terrains, the relative cost of road building increases, and larger and larger sales must be put up to insure that there will be sufficient revenue to offset the cost of the roads. While this is probably only one of several factors which has produced the observed decline in the number of small mills and logging firms, it may be a significant one. Small operators experience great difficulty in obtaining even the short range capital necessary to finance large road construction expenditures prior to the time when they begin to realize a return on the sale of their logs or lumber products. This not only forecloses opportunities for small businessmen, but it may in the long run have an adverse effect on the price the government can command for its timber.[2]

Effect of Improved Access on Management

So long as road construction must be financed primarily through purchaser credits, it seems axiomatic that roads will be located in areas where the most promising opportunities exist for commercial timber harvesting. This virtually precludes the possibility of advance roading -- a policy generally favored by professional foresters which calls for development of a permanent road network throughout a forest, designed and built without the constraints of "prudent operator" standards but with an eye toward full utilization of forest potentials and maximum long range economy. Several advantages are claimed for an advance roading approach, including the possibility of salvaging mortality from fire, wind and insect or diseases (estimated at about two billion board feet annually for the National Forests); the increased fiber production that can be obtained through intensive management practices such as pre-commercial thinning; and the dispersal of recreation usage to avoid overcrowding of established recreation areas. Direct government funding of road construction will be required if these objectives are to be achieved.[3]

1. "Need for Development of Main Line Access Roads - Region Six," n.d.

2. See, Walter J. Mead, "Memorandum on Competitive Bidding for National Forest Timber in the Douglas-Fir Subregion," (prepared for the U.S. Department of Interior, Bureau of Land Management), September 17, 1965, p. 8. See also the extended questioning and discussion of the effect of road requirements on small operators in House Appropriations Committee, Hearings, Department of Interior and Related Agencies Appropriations for 1975, Part 3, pp. 103-109, 93rd Congress, second session).

3. Appendix A of this report excerpts a brief discussion of advance roading from a paper prepared by Carl Newport, a forest economist with the Portland firm of Mason, Bruce and Girard, for the President's Advisory Panel on Timber and the Environment.

Accountability

There is, finally, an apparent public interest in having funding decisions applicable to government programs made by responsible organs of the Congress. The present method of programming National Forest road construction and maintenance with purchaser credits avoids Congressional scrutiny and constitutes what some have called "back door financing." The new Resources Planning Act will greatly reduce this problem beginning with fiscal year 1976. However, some related problems will remain. For example, 23 USC 205 requires the Forest Service to contract road work estimated at more than $15,000 per mile, but this does not apply to roads built by timber purchasers. Many purchasers are now having road contractors do their road work (especially as the complexity of construction increases in rugged terrain and with pressure for higher standards from the Forest Service), but these contracts are not necessarily let under the competitive bid procedures required by public contracting laws.

Finally, there may be something of a problem of accountability in assuring that purchasers required to build roads do not make windfall profits on the road work in addition to their normal profits on the timber operation itself. At the present time, the purchaser credits are allowed on the basis of estimates made at the time the project is engineered, and there appears to be no way for the Forest Service to audit actual costs experienced by the operator with an eye toward adjusting the allowances made on the basis of the estimate.

Toward a NACO Policy on Forest Road Financing

The National Association of Counties has been aware for a good many years that counties are losing substantial amounts of revenue as a result of purchaser credit financing of National Forest Development Roads. During the mid-1960's, NACO concentrated on trying to persuade the Congress to increase the Roads and Trails authorization in the Federal Aid Highway Act, assuming that such increases would be followed by a shift from purchaser credit financing to direct government financing of access roads. While the data presented above indicate that some such shift did take place for a few years, it seems clear that increasing the authorization alone does not insure that the drains on county funds will cease, as is amply illustrated by events of the early 1970's.

Enactment of the Resources Planning Act of 1974 does appear to set the stage, however, for a reconsideration of this issue, and now the members and staffs of the relevant Congressional committees will be directly involved in the choice of financing methods. It would appear to be a good time for NACO to review its policies on National Forest Development Road financing and perhaps to take the leadership in suggesting an approach that would be beneficial not only to county government, but

also to the Forest Service, the timber industry and the general public. NACO's Western Regional District could develop a proposed policy statement at its March 1975 meeting in Albuquerque, for submission and adoption by the National Association at its annual convention in June 1975.

Without attempting to suggest the details of such a proposed statement, a few possible alternatives come readily to mind. One approach would be to try to develop a workable, functional classification of forest roads and to identify the types of roads most appropriate for each type of financing. For example, there would be little argument that purchaser credit financing is appropriate for temporary spur roads located within the immediate sale area. On the other hand, permanent, two-lane hard surface arterials that carry not only logs but also high volumes of recreation traffic should be financed with appropriated funds. In between these extremes lie a number of types of roads and a variety of circumstances which, considering both short and long range factors, might tilt the judgment one way or another. Some effort to define these considerations might be made jointly by the parties involved which could produce some guidance to those who must select the financing method.

Another approach, perhaps easier to implement, would be to reach some general "rule of thumb" guidelines on the approximate ratio of direct government to purchaser credit financing that would be most suitable to different types of National Forests. Obviously, forests which contain little commercial timber are inappropriate for purchaser credit financing. It is possible that a scale from minimum to maximum purchaser credit financing ratios could be worked out and applied on a forest-by-forest basis.

Various other approaches are possible, and should be considered. Another type of approach, which considers only the problem of the counties' revenue losses, would be to adjust the formula for National Forest revenue sharing to recognize that the 25 per cent provided by law no longer means the same thing it did when it was enacted in the early 1900's. For example, the law might be amended to increase the percentage figure or to require an additional payment from the Treasury equal to 25 per cent of the amounts programmed annually for purchaser road construction.

Prepared by:

Kenneth C. Tollenaar, Director
Bureau of Governmental Research & Service
University of Oregon

For:
Association of Oregon Counties and
National Association of Counties

Appendix A

Excerpt from[1]

"Timber Sales Policies and Procedures on National Forests
in Relation to Shortrun Timber Supply"

by Carl Newport

ROADS

"Roads are needed on national forests for expediting sales, increasing timber sale and harvest flexibility, and for improving utilization.

"Much of the time spent in selecting, planning, preparing, and operating timber sales is spent on roads. If the Forest Service were fully funded by appropriation for its road program and permitted to carry it out, the timber sale program would be expedited. Road construction by timber purchasers has limited road development to areas of high value timber and to periods of high prices.

"If a more complete road system were now in place on the national forests, it would be much easier for the Forest Service and the industry to promptly respond to fluctuations in demand for wood products. Submarginal timber could be sold, more partial cuts and more salvage and commercial thinnings could be made. In addition, more areas of timber needing treatment to increase growth would become accessible for such programs.

"Studies of advanced roading on national forests and on other public lands have concluded that it is not economic.[6] However, these were tested against earning rate guides now being used on other Forest Service investments such as holding excess growing stock, K-V expenditures, and to some of the currently financed road program. Furthermore, these studies did not include the benefits of moderating lumber and plywood price fluctuations. In view of these factors the low earning rates of 2 to 6 percent for advanced roading appear to be more than sufficient justification for a significant program.

"It is recommended that the Forest Service more specifically document the cost of and resulting extra yield from more rapid roading on a forest-by-forest basis. This would provide the basis for grassroots pressure on Congress and OMB to get the necessary financing and would relate performance directly to extra timber supply, including the advantages of flexibility...."

6 Payne, Brain R. "Accelerated Roadbuilding on the North Umpqua--An Economic Analysis," USDA Forest Service research paper, PNW-137, 32 pp., illustrated Pacific Northwest Forest and Range Experiment Station, Portland, Oreg., 1972.

1. Appendix G of Report of the President's Advisory Panel on Timber and the Environment, Washington, U.S. Government Printing Office, 1973, p. 222.

THE BULLETIN,
Bend, Oreg.

Senator JAMES MCCLURE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCCLURE: Enclosed is a three-part analysis I recently completed examining the road policy of the U.S. Forest Service and the impact of that policy on federal funding for county roads and schools.

My investigation of that road policy indicates that the Forest Service:

Uses timber sale road credits to develop a standard of road which will handle primarily recreation traffic, in violation of the National Forest Roads and Systems Act of 1964.

Is developing a primarily paved road system in national forests and is using timber credit to establish the initial investment necessary to develop that system.

Is using an economic justification for its policy which has not been proven.

A bill you have sponsored would at least help the county and school funding, but would not provide a check on the Forest Service as it develops this road system. I hope you will find the enclosed articles helpful as Congress begins to deal with this issue.

Also enclosed is an editorial written by Robert Chandler, editor of The Bulletin, which was printed following the series.

Sincerely,

ROBERT BAUM, *Staff Writer.*

[From the Bulletin, Bend, Oreg., Aug. 11, 1975]

IS THE FOREST SERVICE CHEATING THE TAXPAYERS?

(This is the first of a three-part analysis examining the road building policy of the U.S. Forest Service and its effect on federal funding for roads and schools in Central Oregon counties)

(By Bob Baum, Bulletin Staff Writer)

One can drive through many parts of the Deschutes National Forest without getting his car dirty.

U.S. Forest Service engineers plan eventually to pave all main arteries into the forest. Such a project takes money, big money.

The Forest Service has been accused of skirting, or at least stretching, the law in order to obtain funds to develop the standards of roads its engineers desire. And there is no doubt the agency's road-building policy costs local taxpayers money.

Almost all roads constructed or reconstructed by the Forest Service are financed by money obtained from the sale of timber in national forests. There aren't enough appropriated funds from Congress to build the roads the Forest Service wants.

For example:

About 11 miles of a U.S. Forest Service road near Indian Ford Campground northwest of Sisters is being paved.

The paving is part of a project to provide access to the Meadow Creek timber sale in the Deschutes National Forest.

The road project (including work beyond the area to be paved) will cost $402,780. Four counties are providing $100,695 of that total, by a reduction in their income.

Deschutes County has an estimated $46,068 invested in that project. School districts in the county have contributed another $15,356.

Since residents pay both county and school taxes, they can consider themselves investors in the road as well.

The counties and the schools aren't providing the money willingly or directly. Forest Service officials argue that they aren't really "providing" the money at all.

But by federal law, 25 percent of the revenue obtained from the sale of timber must be distributed to the counties which fall within its boundaries. But, before those funds are distributed, the Forest Service subtracts the amount of money necessary to provide adequate access to the timber sale area.

If the Forest Service determined existing roads were adequate to harvest the timber at the Meadow Creek Sale near Indian Ford Campground, the counties would have received that $100,695.

It was the intent of Congress in the National Forest Roads and Systems Act of 1964 to provide criteria for determining what standard of road to build into a timber sale area.

The act allows the granting of "purchaser road credits," in effect the trading of timber for road work, "provided that where roads of a higher standard than that needed in the harvesting and removal of the timber and other products covered by the particular sale (emphasis added) are to be constructed, the purchaser of national forest timber and other products shall not be required to bear that part of the costs necessary to meet such higher standard . . ." the particular sale involved. If better roads for long-term use are needed, it appears Congress intended those funds to come through the normal federal appropriations procedure.

So it must be necessary to pave that Forest Service road in order to prudently and economically harvest the 15.59 million board feet of timber included in the Meadow Creek Sale.

If it is not, the Forest Service would be violating federal law. Forest Service officials deny they are violating anything. They say that, in the long haul, the paving will save taxpayers money by cutting down on the cost of future maintenance of the road during the harvest of future timber sales.

But the law does not speak of future timber sales. It addressed itself solely to the particular sale involved. If better roads for long-term use are needed, it appears Congress intended those funds to come through the normal federal appropriations procedure.

And the road being paved for access to the Meadow Creek Sale, Forest Service Road 1139, is used heavily by recreation vehicles for access to Perry South Creek Campground along Lake Billy Chinook.

In fact, that road carries so much recreation traffic that timber hauling is not allowed on a northern section of the road between Memorial Day and Labor Day.

The decision to pave the road may have been based in part on the recreation traffic volume. But if it was, that is in violation of the federal law.

Timber industry officials in Central Oregon express doubt that future maintenance will be cut very much. And if the Forest Service lives up to its promise to continue to pave main forest arteries, it will be several years before all of them are paved. In the meantime, tremendous road construction costs will continue to be taken from timber sale revenues in order to satisfy the huge initial investment necessary for a paving project.

Forest products officials admit the Forest Service road policy doesn't cause them much harm. They simply receive timber in exchange for road work.

They have minor gripes. They complain that they don't want to be in the road business and that the allowances for road work granted in their contracts with the Forest Service doesn't include a projected profit for the road contractor.

A road contractor becomes necessary if the sophistication of the required road work exceeds the capabilities of the timber purchaser's own road crew.

But most industry officials, during separate interviews during the past month, complained as taxpayers that the Forest Service is spending money needlessly.

One mill executive estimated 75 per cent of the amount of money spent on roads in national forests to harvest timber was spent needlessly. Another estimated 60 per cent was unnecessary.

The transportation subcommittee of the Senate Public Works Committee has authorized a separate staff investigation of the alleged Forest Service violations of the 1964 act.

And county officials are aware of the controversy as well. The county leaders don't interpret a law dating back to 1908 the same way the federal government does.

That law provides for 25 per cent of the revenue from the sale of national forest stumpage to be distributed to the counties which lie within the forest's boundaries.

The law reads ". . . the amounts made available for schools and roads by this act shall be based upon the stumpage value of the timber."

Federal officials have decided the law allows them to deduct the cost of access roads and slash disposal before distributing the money.

County officials, including Deschutes County Commissioner Don Grubb, disagree.

"They're ripping us off for that amount of money," Grubb said, pointing to figures he has accumulated over the past few months detailing how much the Deschutes forest officials are spending on timber sale roads.

Sen. James McClure (R-Idaho) has introduced a bill which would specifically require the road money to be taken out of the federal government's share of the funds, with the counties getting 25 percent of the gross value of the timber.

The bill has been referred to the Agriculture and Forestry Committee.

(Tomorrow mill executives will discuss what they feel are specific examples of needless spending on timber access roads in the Deschutes and Ochoco national forests. The Forest Service road policy will also be compared with those of other federal agencies.)

[From The Bulletin, Bend, Oreg., Aug 12, 1975]

FOREST SERVICE PAVES ITS WAY WITH COUNTIES' CASH

(This is the second of a three-part analysis of the road building policy of the U.S. Forest Service and its effect on federal funding for roads and schools in Central Oregon counties.)

(By Bob Baum, Bulletin Staff Writer)

Mill executives often hesitate to say anything derogatory about the U.S. Forest Service—for public consumption, anyway.

The Forest Service sells mills most of their raw materials.

Of the mill officials contacted during the reporting for this series, Karl Anderson, logging manager for Brooks-Willamette Corp. in Redmond, was the most hesitant to talk.

Brooks-Willamette is the contractor on the controversial Meadow Creek timber sale. As part of the road requirements for that sale, about 11 miles of roadway is being paved.

A joint venture combining Brooks-Willamette, and one of its two owners, Brooks-Scanlon, Inc., purchased the Meadow Creek Sale on May 27, 1975, for $760,516.

Purchaser road credits for the Meadow Creek Sale are $402,780.

Counties get 25 per cent of the revenue from timber sales. But, before the money is distributed, the road credits, along with slash deposit credits and funds taken through provisions of the Knutson-Vandenburg Act are subtracted.

The K-V Act, as it's called, allows for removal of funds to cover proper reforestation management in the sale area plus the overhead which the Forest Service says is accrued at the district, forest, regional and national levels.

In the case of the Meadow Creek Sale, those three items (road credits, slash disposal credits and K-V funds) add up to $756,342. That is only $4,714 less than what Brooks-Willamette and Brooks-Scanlon will pay for the sale. The counties' share of Meadow Creek revenue will be slightly more than 25 per cent of the $4,714, because federal law sets a certain base figure which counties must receive (it varies depending upon species of timber).

Still, the counties will get nowhere near the 25 per cent of $760,516—the price of the sale.

Brooks-Willamette gets 90 per cent of its timber from the Forest Service. And Anderson, who provided all the figures on the sale, didn't want to pass judgment on the sale, didn't want to pass judgment on the Forest Service's road policy.

Ted Young, raw materials manager for Brooks-Scanlon in Bend, provided a prepared statement detailing what he termed a "typical" timber sale purchased by Brooks-Scanlon on the Deschutes forest. The sale turned out to be the South Crater Butte Sale on the Fort Rock District.

Young's statement said the sale "included 3,050 acres of land which had been logged at least once previously and salvage logged several times. The area is criss-crossed with low standard, narrow, winding dirt roads adequate—in the opinion of the timber sale purchaser—to remove the timber at reasonable cost."

The primary access to the timber sale was a one and one-half lane cinder road which was reconstructed in 1970 and which had hauled no more than 15 million board feet of logs since then, Young said.

The 13 million board feet of timber included in the sale was purchased for a bid of $1.137 million.

"This particular sale required reconstruction of part of the 1970 constructed road (straightening some curves, widening, adding more cinder surfacing) for which a cost allowance of $75,510 was made," Young wrote.

"In addition, nearly 16½ miles of permanent cinder-surfaced roads (12 feet wide with surfacing at least four feet deep) were required to be constructed within the sale area—at an allowance cost of $113,749," he wrote.

Some of the new roads were in approximately the same locations as the older dirt roads—some were in new locations.

The contract states that all of the existing roads be left open, leaving Young to wonder why, if they are inadequate, they must remain open.

Young concluded that "the net effect of the cost allowance for required road construction is a reduction in the stumpage receipts of $189,250 and a corresponding reduction in funds for distribution to the counties of $47,312.40."

A law governing Forest Service activities in timber sales, passed in 1964, requires the federal agency to apply no more for purchasable road credits than is necessary to harvest the "particular" sale involved.

Congress plainly did not intend the purchaser's road credits to be used to construct high-standard roads also suitable for heavy levels of recreation use.

But, according to Young, several roads required for timber access in the Sisters area "conveniently end at trail heads."

In one case, he said, the timber sale contract required a high standard of road to a trail head, but the old unimproved road traveled another one and one-half miles before coming to the sale area.

A large truck turnaround was required at the trail head. The turnaround will also work ideally as a parking area for those hiking on the trail, which leads into the Three Sisters Wilderness Area.

It would appear Forest Service engineers were thinking about the needs of the recreationalists when they determined the roads' characteristics.

Beryl Johnston, road staff officer for the Deschutes forest, said the Forest Service tries to keep a strip of unimproved land between trail heads and the wilderness boundary. That, he said, would explain why the improved road ended while the rougher road continued to the sale area.

Young said that Brooks-Scanlon and Brooks-Willamette have earned about $2.5 million in purchaser road credits on the Deschutes National Forest since 1973. Young said that, assuming 75 per cent of that road work was unnecessary, the counties were deprived of $437,500 just in sales involving those two wood products firms.

"We cut 150 million board feet of timber each year," Young said. "The Forest Service allowable cut in the region (Oregon and Washington) is six billion board feet."

Charles Shotts, vice president of the Gilchrist Timber Co., says the Forest Service doesn't use existing roads enough.

"Once an area has been roaded, then the best thing to do is make the best use of those roads," Shotts said.

He said that one sale area is being logged for the time third. The roads which were used the first two times have been deemed inadequate for the third logging operation, Shotts said.

"My question to them (Forest Service) is, if it's adequate the first two times we log it, what's wrong with it now?" Shotts said.

Mike Pernicka, forester for Pine Products Corp., also criticized the Forest Service for not making use of existing roads.

In the Little Round Prairie Sale on the Ochoco forest, the spending of $23,489 for road work was "absolutely unnecessary," Pernicka said.

"The existing road was completely adequate to remove the timber," he said.

Pernicka talked about the Varmint Creek Timber Sale sold four years ago on the Ochoco National Forest. As a condition of that sale, Pernicka said, the Forest Service required improvement of Forest Service roads 142 and 1222 from Ochoco ranger station to the east side of Big Summit Prairie.

The purchaser argued that it would be much less expensive to haul the timber from the sale north on road 1222 through Mitchell.

Pernicka said the Forest Service insisted on its requirements and, even though the roads were improved the way the federal agency wanted them to be improved, about 90 per cent of the timber was removed on the road through Mitchell.

Two years later, the Foss Salvage Sale was held in the same area as the Varmint Creek sale. This time, though, the Forest Service said the Mitchell route was the best route.

Pernicka said he suspects the Forest Service wanted the longer route upgraded four years ago because the agency needed a better road in the area. Economic factors may not have been the main consideration, he said. The use of a different route for the Foss Salvage Sale would tend to back up his claim.

"They demanded to have a road of higher standard over there. It was a desire, not a necessity," Pernicka said.

The Bureau of Indian Affairs (BIA) has not required the paving of a single road for timber access on the Warm Springs Indian Reservation.

Gunther Heeren, forest manager for the BIA at Warm Springs, said it is difficult to compare the road policies of the Forest Service and the BIA because one agency manages timber on private land and the other (BIA) manages what is essentially private land.

Still, Heeren said, "On an average I'd say we (the BIA road costs) are considerably lower than the Forest Service."

An incident has occurred on the reservation where tribal members voiced their opinion of a certain Forest Service road requirement.

The incident occurred shortly after the reservation took over the McQuinn Strip in Sept., 1972. The strip had previously been managed by the Mt. Hood National Forest.

The strip is a narrow area of land on the north and west edges of the reservation which was added to the reservation by Congress in 1972.

The Forest Service had prepared requirements for the Tyee timber sale located in the McQuinn strip.

The requirements included several sections of graveled roads and some blacktop.

BIA regulations require a tribal committee to approve conditions of a timber sale. When the BIA took over jurisdiction of the McQuinn Strip and the Tyee sale, which fell within the strip's boundaries, the committee said it didn't want the roads improved. The BIA complied and changed the requirements of the timber sale contract.

Many roads on the Warm Springs reservation are not open to the public. The BIA is not as concerned with recreation needs as is the Forest Service.

The tribe had the opportunity to say it didn't feel the high standard of road was necessary simply to harvest the timber. The public has no opportunity to voice similar disapproval of Forest Service timber sale roads.

The tribe was concerned that money for that road would come directly out of its own pockets. The higher the standard of road, the less money the tribe would receive.

The tribe was in a position to determine its own priorities. Under the present system, the public cannot determine whether a paved road is more necessary than a few thousand dollars to help upgrade a rapidly urbanizing county road system and to offset rapidly increasing school costs.

(Tomorrow, the Forest Service will defend its road policy, that defense will be analyzed and possible resolution methods of changing the present policy will be examined).

[From The Bulletin, Bend, Oreg., Aug. 13, 1975]

ONLY PUBLIC PRESSURE CAN ALTER FS PAVING POLICY

(This is the last of a three-part analysis of the road building policy of the U.S Forest Service and its effect on federal funding for roads and schools in Centra Oregon counties.)

(By Bob Baum, Bulletin Staff Writer)

Forest Service officials say those who criticize the federal agency's road building policy are short-sighted.

They don't see the long-term benefits derived from such a policy, the officials say.

Beryl Johnston, timber staff officer in the supervisor's office of the Deschutes National Forest, outlined considerations made when determining road standards for timber sale access.

"We attempt to develop the whole road system for a whole area, not just that one sale," Johnston said.

The Forest Service uses resource data, land use planning findings, long range timber harvest predictions and other similar considerations when determining road requirements into a sale area, Johnston said.

Johnston said the agency attempts to follow the 1964 law which says the standard of road developed with funds derived from trading timber for road work shall not be higher than is necessary to harvest the timber in that particular sale.

"I won't say you can't find a few violations of the law," Johnston said, "(But) we attempt to follow it, at least the way we interpret it."

That interpretation allows the Forest Service to consider long-range projected costs. Because the policy to pave main forest roads is relatively new, those projected savings have not yet materialized. There is reason to believe many of them never will materialize.

The counties, which receive 25 per cent of the revenue of timber sales after various items, including road construction costs, are subtracted, will actually make more money—in the long run—because of the present road policy, Johnston said.

For instance, Johnston said, a paved road will cost less when it is used for harvest of subsequent timber sales because of a decrease in the need for dust and surface rock control and blading on the road. Critics say USFS does not correctly calculate maintenance costs on paved roads.

Dust is a major problem on timber access roads, Johnston said.

But road requirements for the South Crater Butte sale, did not include a provision for four feet of cinders, as was stated in part two of this series. The requirement was for four inches of cinders.

"In some sections of road we've lost four inches of material in one year," he said.

Some private roads on land owned by Gilchrist Timber Co. have eroded as much as six feet because they were not surfaced, Johnston said.

Charles Shotts, vice-president of Gilchrist Timber, disputed that statement.

"I want any of them to show me where our roads have eroded and we're losing that much soil," Shotts said.

He said some of the older roads built about 30 years ago may appear to have eroded considerably, but that is because the slash and dirt displaced during road grading was piled up directly beside the road.

An 11-mile section of Forest Service Road 1139 is being paved because of the large volume of timber expected to come out on trucks using that road, Johnston said.

The road is used to haul an average of about 20 million board feet of timber per year, about half of the annual allowable cut on the Sisters Ranger District.

The large initial investment for that paving project is coming from the Meadow Creek timber sale, purchased earlier this year by a joint venture of Brooks-Scanlon, Inc., and Brooks Willamette Corp.

Brooks Willamette, the firm harvesting the timber, is getting $402,780 worth of timber for doing the Forest Service road work.

If no road work was done, the counties which fall within the Deschutes forest boundaries would get 25 per cent of that $402,780.

"Sometimes the first sale takes the beating," Johnston admitted.

The Meadow Creek sale is not the first sale sold in that section of the Sisters district. Road 1139 has been used to haul timber for many years, according to a former Forest Service employe.

Johnston said the Forest Service must also consider the road's effect on the forest's resources—other than timber.

"Timber is not the only resource on national forest land," Johnston said.

Bob Tokarczyk, assistant supervisor of the Deschutes National Forest, agreed with Johnston.

"You could have a pair of wheel ruts and not anything else," he said. "We'd have soil erosion, ditches you wouldn't believe."

"The counties don't have to worry about the Metolius deer herd or fishing in streams," Johnston said.

A Bend contractor said that, in some cases, timber from a sale has been removed before the road work required for access to that sale has been completed.

The two major owners of private timber land in Central Oregon—Brooks-Scanlon and Gilchrist—don't have a single paved road.

It would seem that, if it is more economical for timber access roads to be paved, those two firms, who must make money to survive, would have paved their own roads years ago.

The fact that they haven't is because the companies are concerned with single-year profits rather than long-term benefits, Johnston said.

"They're not looking at getting timber on the lands 20 years from now," Johnston said. "They look at costs on a yearly basis—to make their profit receipts look good this year."

Weyerhaeuser Company, probably the largest private timber owner in Oregon, "has more pavement than you'd believe," Tokarczyk said.

"Brooks-Scanlon has never been interested in just 'single-year' profits," said Jim Crowell, communications director of the company. "Anyone familiar with the 60-year history of the company and particularly the recent past, knows that. We've been here 60 years and we'll be here 20 years from now."

Charles Shotts said the Forest Service statement was "ridiculous".

"We are not looking at it on a year-to-year basis, heavens no," Shotts said.

As for the Weyerhaeuser land, Crowell said the firm transports a "huge" volume of logs over those paved roads, which are located in western Oregon.

West of the Cascades, the pavement is not subject to the winter breakup experienced in the colder climates of eastern and Central Oregon. A firm in Idaho ripped up paved roads because of the breakage problem, he said.

To back up his statement that paved roads in the forest will be cheaper to maintain, Johnston pointed at the Oregon State Highway Division and Deschutes County's road department.

"The state couldn't maintain its road system if it wasn't paved," he said. "The county wouldn't be paving those back roads if it wasn't of value."

The state and county, obviously, operate under different laws than the Forest Service.

The basis for the controversy surrounding the Forest Service road policy lies in the interpretation given two national laws by the national Forest Service office and the Federal Office of Management and Budget.

The Forest Service wants to pave all the main arteries in the national forests. At the same time, Congress has shown great reluctance to appropriate any funds for forest road building.

Congress, at the same time, has ordered the Department of Agriculture, which oversees the Forest Service, to manage all uses of national forest—including watershed, wildlife habitat, wilderness preservation, recreation, beef and sheep rangeland, and timber.

Roads are necessary to manage those other resources. But Congress has said that those roads shall not be built using timber as the medium of exchange.

Sources close to the administration have indicated the President does not intend to authorize funds after the 1975–76 fiscal year for rorest roads.

So, if the Forest Service is to carry out its promise to pave major forest roads, a promise of dubious merit, the money will apparently have to come through the timber sale process. And that appears to violate the federal law of 1964.

The Forest Service practice has never been tested in court. There has been mention of possible civil action by counties and school districts against the Forest Service. Wyatt Rosenbaum, superintendent of schools for the Bend district, said he feels the Bend School Board would be interested in participating in such action if an investigation indicated a violation of the law was taking place.

During the 1974–75 school year, the Bend School District received $272,970.90 in school revenue. That came from the Deschutes County's share of $1,754,711.13, the largest amount of annual forest revenue in the county's history.

As the lumber market continues to slide, or if it stays in a down condition, those receipts will decrease. The counties' interest in the Forest Service road policy will increase as those revenues decrease.

But a civil action would be costly and time-consuming. The Forest Service has an army of attorneys while the counties are not possessed with an overabundance of legal help.

The National Association of Counties (NAC) is pushing federal legislation changing the method of funding timber sale roads. A bill sponsored by Sen. James McClure (R-Idaho) would take the 25 per cent county funds out of the gross value of the timber sale. Then the road money, slash deposit money and reforestation costs would be subtracted.

That bill would save the nation's counties an estimated $50 million.

That legislation may help the counties, but it won't determine whether the Forest Service is following federal law when it decides what standard of road shall be built for timber access.

That could only be determined in court. The only present system of keeping the Forest Service from spending too much money on roads is by public pressure. And the public has to know what is going on in order to pursue that pressure.

As Tokarczyk said, the Forest Service's work needs to be questioned.

"We need it," he said. "We feel this is a good check and balance."

"You realize," he said, "just to protect the resource, we could get real carried away."

Some say the Forest Service already has.

BEMIS HARDWOODS,
Asheville, N.C., July 22, 1975.

HON. LLOYD BENTSEN,
Chairman, Transportation Subcommittee, Public Works Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR BENTSEN: It has just been brought to my attention that on July 14th you heard testimony from Mr. James White, of the Deltic Farm and Timber Company, concerning the Forest Service Road Building Program. In the course of his testimony he pointed out that forest products companies operating on Forest Service timber sales frequently are faced with unnecessary and excessive expenditures because of road overdesign, the construction of unnecessary roads, etc. I just want you to know that this is a severe and continuing problem. I know this to be a fact here in the Appalachian area in which our company operates, and my friends in other parts of the country tell me that the same thing holds true there.

While an ideal solution would be to have the Forest Service adequately funded to build its own roads, I am not sure that this will help the burden on the taxpayer and consumer produced by overdesign and unnecessary construction. It would also make it easier for the Forest Service to say that they couldn't do something just because they didn't have funds.

It is a severe and knotty problem to which we hope you and your colleagues will address your very best efforts.

Sincerely yours,

JOHN B. VEACH, Jr.

DUKE CITY LUMBER CO., INC.,
Albuquerque, N. Mex., July 18, 1975.

HON. LLOYD BENTSEN,
Chairman, Subcommittee on Transportation, Senate Committee on Public Works, Senate Office Building, Washington, D.C.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: I am a Forester for Duke City Lumber Company, Inc; located in Albuquerque, New Mexico. Our company is 100% dependent upon Forest Service timber and I wish to add my written comments, for the record, concerning the hearing held on July 14, 1975, regarding the Forest Service Road Program.

One of my duties with Duke City Lumber Company these past eight years has been the appraisal of Forest Service purchaser credit roads and the subsequent supervision of the construction of said roads, which are part of the Forest Service Timber Sales.

At the present time our company has approximately 1.5 million dollars of purchaser credit road under contract. This is a burden on our company, not only from a monetary standpoint but also of Forest Service contract compliance. Timber cannot be removed from the Sale area until purchaser credit roads are substantially completed. With the large number of roads to be built it is impossible for us to keep ahead of the road building program and we are finding ourselves, this year, falling behind in supplying timber to our sawmills since many roads are yet to be completed.

We have never built a purchaser credit road that, to my knowledge, was really necessary to remove the timber from a given Forest Service contract. Once we purchase a Timber Sale, there is no choice to be made as to whether we build a road or not. The appraisal locks in the decision that a purchaser credit road is to be constructed for a given amount of money, and once a Sale is purchased, said road will be constructed regardless of the adequacy of the allowance.

We feel that the intent of Public Law 88–657 has been breached when the operator is required to construct roads that are not needed to remove the timber from within a given Timber Sale. We do feel that if roads are to be mandatory in order to purchase National Forest timber, then adequate allowances should be given for their construction through appropriations from the federal government.

Deficit Sales are not uncommon today in Region Three. Our company recently purchased a Timber Sale, named the Golondrino Sale on the Santa Fe Forest, which calls for a $44,526 purchaser credit road. Only $17,544 of the appraised cost can be paid by the government, through stumpage, for the construction of this road and the remaining $26,982 must come out of the pocket of Duke City Lumber Company. Again, this road is not needed to log the Sale and it seems only logical,

that if the Forest Service wants a multiple use road at this location, then the money should be appropriated to alleviate the purchaser from providing cash without remuneration.

It appears that Forest Service Engineering Staffs have a mandate to build roads on practically every Timber Sale that is sold. I seriously question whether these roads need to be built in the first place and I also question the degree of competency in engineering practices, as well as the adequacy of allowances.

In this day of environmental concern we have just finished a reconstruction of a road that calls for a change of alignment in which an 80′ culvert was needed to cover a 20′ high fill. Shortly after this culvert and several other culverts were in place, the Forest Service found that these excessive fills could not be held in place adequately and Change Orders were made in the contract to allow Duke City more money to rip-rap the fill to make it more stable. This particular road could have been used for hauling logs using the existing road with minor alignment changes.

Before a purchaser credit road is aimed to be mandatory as part of a given Timber Sale, we feel that the construction should be held to the prudent operator concept unless funding for roads can come from sources other than Timber Sales.

I appreciate the opportunity to make these remarks for your consideration in deliberating the question of Forest Highways.

Yours truly,

CARL HAKENSON.

FEDERAL TIMBER PURCHASERS, ASSOCIATION,
Albuquerque, N. Mex., July 21, 1975.

Hon. LLOYD BENTSEN,
Chairman, Subcommittee on Transportation, Senate Committee on Public Works, Senate Office Building, Washington, D.C.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: We wish to add our remarks to the testimony made before the subcommittee on July 14, regarding the future of the *federal highway program*. Members of the Federal Timber Purchasers Association have considerable familiarity with the current Forest Service road program, because we construct a substantial share of the national forest roads in the Rocky Mountains as a requirement of timber sale contracts.

It seems that problems timber operators have with roads on the national forest system escalated sharply with the cutback in forest roads and trails appropriations. We cannot see where the cutback has been helpful to anyone. We urge that the need for greater funding be recognized and met by the Congress and Administration in the future.

In recent years, timber values have risen substantially, which has permitted the Forest Service to spend more money on timber sale road development. At this moment in time, however, higher-than-necessary road design has pushed road construction costs to a point where timber operators are unable to recover their purchaser road construction credit in sales which are either deficit or near base rates. Although we favor more road development, we do not believe that this money is always spent prudently.

Our concerns regarding road development center about the following problems:

1. *Over design.* In numerous cases, we find roads we judge to be over-designed. Such roads have better alignment and grade than needed. Not only are excessive alignment and grade expensive in themselves, but additional expense is incurred to ameliorate the impact upon soils caused by high "cuts and fills" and steep water gradients. We believe the cubic yards moved, and the number and size of various erosion control structures installed, could be substantially reduced.

2. *Road replacement.* Adequate, stabilized roads are often unnecessarily replaced by higher design, more expensive roads. This is done with the intention of reducing impacts upon natural resources and for the purpose of providing a safety margin sufficient for anticipated traffic. As a consequence, considerable forest land is converted, several times as much soil is displaced, more traffic is encouraged, and higher speeds are attained. Again, large sums of money are unnecessarily expended.

3. *Economic analyses.* Economic analyses are generally performed for individual timber sale roads and maximum economy, all-purpose roads in observance of Section 4 in the National Forest Roads and Trails Systems Act. Although this may properly determine the difference in costs between two types of roads to arrive at the proper amount of cost supplementation, it does not guarantee that the design is prudent. A significant factor used and in question is the estimated

traffic for the anticipated period of use. A more important factor is the unjustified and unverified subjective overriding of the economic analysis for reasons not economic.

4. *Inadequate cost estimates.* Due to a reduction in appropriations, the Forest Service has been unable to directly contract for road construction. Therefore, they now lack bid information on which to base cost estimates. This has resulted in cost estimates which are often half of the actual cost. The dollar loss to the timber purchaser would be substantial even with low-design roads, but becomes severe when coupled with expensive high-design roads.

As a result of the above, excessive amounts of our natural and energy resources are depleted, timber purchasers are not adequately compensated, large areas are rendered economically inoperable, less money flows to the Treasury, and the 25% Fund money for county roads and schools is reduced. We should note, however, that the problems enumerated here are not prevalent in every road, nor every timber sale, nor every national forest.

The solution to the problems would not be overly difficult to correct if there is frank recognition that they are indeed problems. Since discussions between the Forest Service and the timber industry have not quieted our concerns, perhaps some kind of independent review of the matter should be undertaken. We believe this would be to the advantage of all involved parties.

Thank you for this opportunity to present our views to you.

Sincerely,

ERWIN KULOSA,
Manager, Southwestern Forest Resource Affairs.

NATIONAL FOREST PRODUCTS ASSOCIATION,
Washington, D.C., July 31, 1975.

Hon. LLOYD BENTSEN,
Subcommittee on Transportation, Senate Committee on Public Works, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: During the Subcommittee's July 14 hearings on National Forest Development Roads and Trails, Mr. Brock Evans of the Sierra Club stated "it is true, especially on the West Coast, that private lands are being liquidated at a rate faster than the timber is being grown."

In support of his statement, Mr. Evans cited a May 8, 1975, report on "The Douglas Fir Region Timber Supply Situation and Log Export Regulation as Proposed by H.R. 5544," by Robert Wolf, Assistant Chief, Environmental Policy Division of the Library of Congress' Congressional Research Service. Mr. Evans also appended the title page of the Library of Congress report to his testimony.

We do not concur in Mr. Evans evaluation of the current and future timber supply situation. We also do not concur in many of the statements contained in the Library of Congress report.

Enclosed is a copy of an analysis of the Library of Congress report. The analysis was prepared by Charles Bingham, Vice President, Weyerhaueser Company, Tacoma, Washington in response to a request by Representative James H. Weaver (D-Ore). I would appreciate it if this analysis were included as part of the record of the Subcommittee's July 14 hearings on National Forest Development Roads and Trails.

The basic points made in Mr. Bingham's analysis are as follows:

1. The methodology of the report is faulty, and cannot be used to predict available timber supply.

2. The measurement scale upon which the report relies seriously understates the actual wood volume of all trees. The report does not recognize the existence of any trees smaller than eleven inches in diameter at breast height, either in its inventory or growth statistics. Thus, the 1972 growth statistics in the report capture growth only in young maturing forest now ready for harvest, and totally omits growth in, or even the existence of, forest established after about 1950—even though it is growth rates in these young forests that are the critical factor in future timber supply. The use of this measurement also significantly understates existing timber inventory at current utilization standards. In other words, starting with product demand, the report overstates harvested acreages needed each year because it understates the product recovery from acres harvested as well as the volume per acre. Industry utilization today extends down to trees five

inches in diameter at breast height; thus much of the raw material now being used by mills in the region is not reflected in the merchantable inventory statistics.

3. The report grossly underestimates growth, not only because of the selected measurement, but also because it uses per-acre growth multipliers based upon early 1960's forest practices, thus ignoring both current practices and intensification of forest practices through the future.

4. In addition to lack of recognition of current industry utilization in terms of sizes represented in the timber inventory statistics, the report totally overlooks the tremendous impact that the utilization improvement can have on the product volume generated by each acre of harvest. This utilization impact provides an additional multiplier that cannot be ignored in assessing future timber supply and its economic impact.

5. The report is self-contradictory in its comments on the potential impacts of log export limitations.

6. Although the report's conclusions on the specific questions of timber supply are erroneous, the report does correctly identify the issue of timber growth as one of overriding importance for the region.

The Library of Congress report has been receiving considerable public interest. It should be noted that most of the issues raised by the report are shown by Mr. Bingham's analysis to be fallacious and based upon inappropriate data and assumptions. However, the report does correctly identify timber growth as being of prime importance to future timber supply.

The Department of Natural Resources of the State of Washington recently issued a report on that state's future timber supply situation. The report is the initial phase of a Washington forest productivity study developed by the Washington Department of Natural Resources for the Pacific Northwest Regional Commission. The report projects that timber production in the State of Washington will increase by 25 percent over the next 50 years. According to the report, this will require an increased contribution from Washington's national forests in accordance with their growth capability. The report also projects an increase in timber productivity of 35 percent in 30 years if forest management practices are intensified on all commercial forest lands.

The report identifies the primary factors that could hinder the optimistic forecast as being further withdrawals of land from forest management or reductions in levels of investment in forestry. The first phase of the forest productivity study is based solely on biological potential; the second, to be completed next year, will include economic considerations.

Sincerely,

JOHN F. HALL.

Enclosure.

ANALYSIS OF "THE DOUGLAS FIR REGION TIMBER SUPPLY SITUATION AND LOG EXPORT REGULATION," THE LIBRARY OF CONGRESS CONGRESSIONAL RESEARCH SERVICE

(By Robert E. Wolf, May 8, 1975)

1. *The methodology of the report is faulty, and cannot be used to predict available timber supply.*

Mr. Wolf states in the report that "in practical terms *overtime* (emphasis added), timber removals cannot exceed growth and sustain that rate of removal." This is correct. But, the methodology of the subsequent analysis is based upon a *one-year snapshot* of growth and harvest rates, without any consideration of the interaction of growth and harvest over time, and without any calculation of the substantial acceleration in growth that occurs as young timber nears merchantable size. Thus, while there is essentially zero growth, in terms of wood volume added, in old growth stands, there is an average 21% compounded volume growth per acre in twenty to thirty year-old intensively managed Douglas fir. The methodology of this report does *not* calculate the harvest-growth interrelationship "over time." It simply uses an arithmetical calculation which projects one specific year (1972) forward through time, without looking at actual growth curves and their impact upon future timber supply.

On a "snapshot" basis, growth and harvest will almost never appear in balance, unless a perfect balance of age classes by site is present in the forest resource base. Today's removals in the Pacific Northwest largely reflect the time dimension of centuries of growth required to develop the existing old-growth resource. This region is now converting these old-growth stands to a rotation economy with a

more balanced distribution of age classes. This conversion is, probably for the first time in world history, being done consciously and efficiently with the creation of the new forest, rather than just the harvest of the old, as an objective. The end result will be a rotation economy, with balanced growth and harvest, compared to that of Scandinavia, and other mature forest economies. In the interim, in any one year (since the old-growth resource is not growing) there will be an apparent growth-to-harvest imbalance. However, it is not what is happening in any one year, but rather the impact of that upon the future, that is at issue. In other words, imbalance appears only if we do not extend our time horizon sufficiently to recognize the full transition from an inventory of old-growth, with no net growth, to a full inventory of efficient second growth. The Library of Congress report fails to examine the growth-harvest relationship "over time," and its findings as they relate to future timber supply thus are meaningless.

2. *The measurement scale upon which the report relies (¼-inch International board foot rule) seriously understates the actual wood volume of all trees. In addition, it does not recognize the existence of any trees smaller than eleven inches in diameter at breast height, either in its inventory or growth statistics. Thus, the 1972 growth statistics in the report capture growth only in young maturing forests already ready for harvest, and totally omits growth in, or even the existence of, forests established after 1950—even though it is growth rates on these young forests that are the critical factor in the future timber supply. The use of this measurement also significantly understates existing timber inventory at current utilization standards. Industry utilization today extends down to trees five inches diameter at breast height; thus, some the raw material now being used by mills in the region is not reflected in the merchantable inventory statistics.*

The ingoing data used by Mr. Wolf in his calculation probably were the best available to him in the Library of Congress, as long as he chose to use-¼Inch International Rule as the statistical basis for his report. However, *any* board foot calculation will tremendously understate the true cubic content of smaller diameter timber, simply because the purpose of any board-foot rule is to calculate only the potential lumber content of a log, based upon historic technology for sawmill use. Board feet measure do not purport to represent the veneer or chip content of timber.

To represent the tremendous impact that change to a more valid measurement can have on the results obtained, we should begin with the report's calculation for industry lands in Western Oregon: Mr. Wolf, presenting a "snapshot" of 1972, records a forest softwood inventory volume on those lands of 52.5 billion board feet. He calculates harvest at 3.229 billion board feet. On a per acre basis, he translates this to 14,600 board feet of inventory, and 890 board feet of removals, or slightly more than 16 years of remaining harvest, if growth is not considered at all.

Again, the "snapshot" basis is not valid methodology for predicting timber supply. But, for comparative purposes, we can next examine the impact of switching to cubic measurement, even within the framework of the report's methodology. With cubic measure, we can include those trees to five inches in diameter at breast height which are in reality used in the region's manufacturing sector, rather than limiting the inventory statistics to sawmill material used historically—those trees of 11-inch diameter and above. For this exercise we will draw upon the same report used by Mr. Wolf as his data base—Timber Resource Statistics for Oregon. U.S.F.S., Resource, Bulletin, PNW 56." With simply this change to cubic measurement, using the same methodology and the same data source, we come up with a calculation that indicates there was 1.61 million cunits (161 million cubic feet) of growth on forest industry softwood lands in Western Oregon in 1972. This growth figure still excludes measurement of growth of those hundreds of millions of trees in the region still under five inches in diameter, but it does at least add data on trees in the five-to-eleven inch diameter sizes. Growth, in this calculation, is offset by gross removals of 5.17 million cunits, for a net removal of 3.56 million cunits from a stated 1972 inventory of 91.5 million cunits of softwood on forest industry lands. The change in measurement scale going into the calculation thus automatically "increases" the resource base by 58%, and extends the 1972 "snapshot" calculation out to nearly 26 years, instead of the 16+ years originally calculated. Attachment II is our calculation in cubic feet of the basic timber resource statistics for all ownerships which were presented in board feet in the Library of Congress report. Even if we were to artificially restrict the measurement data, in cubic, to reflect only trees of eleven inches diameter and more at breast height, disregarding actual current utilization practices, we would move significantly in the direction of "extending" the resource base, under this method of calculation.

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In terms of measurement data, the report thus ignores all but trees usable in 1950-technology sawmills, in both inventory and growth statistics. The selection of this measurement scale forces the calculation to disregard the diversity of the region's forest products economy, since it fails to reflect the use of timber in plywood, veneer, manufactured panel, shingle, shake, pulp, paper, or paperboard mills, in its expression of inventory. More seriously, it counts in its growth statistics only timber regenerated in the custodial forest management period prior to 1950, and the measurement forces total lack of recognition of the intensification of management which has occurred since, and which will be the principal determinant of future timber supply.

3. *The report grossly underestimates growth, not only because of the selected measurement, but also because it uses per-acre growth multipliers based upon early 1960s forest practices thus ignoring both current practices and intensification of forest practices through the future.*

The analysis in the report recognizes only the *current growth on existing stands* which lent themselves to measurement under the board foot rule selected. It then uses that statistic as an indication of future growth. Since this statistic does not recognize the existence of newer plantations, it obviously cannot project their impact upon future timber supply. And, by merely projecting 1972 forward, it does not consider the impact of the growth curve—the acceleration in growth of certain age classes—on future timber supply, even for those trees represented in the statistics.

It also is based upon an obsolete growth rate index, one developed to represent growth under forest practices common in the post-Korean War era. It thus does not take into account any of the impact of the intensification of forest management on industrial lands in the past decade.

Some of the data upon which the Library of Congress report is based comes from Forest Service field surveys made as long as 13 years ago. That data has been mechanically updated since, without any recognition of the growth practices developed and applied since the dates of the basic field work. Thus, the data which Mr. Wolf had to use as his source in the report computes softwood growth (translated into cubic terms) on the basis of about 0.45 cunits per acre per year for the forest industry lands in Western Oregon. However, our own experience, and our 30-year study of 204 growth plots in the Douglas fir region, indicate that under High Yield Forest management in Western Oregon on Site III (average productivity) lands, over a 50-year rotation, production should be an average of 2.5 cunits of wood growth per acre per year. This is the most complete mensuration study ever conducted in the Douglas fir region by any public or private source. About half of this production will be harvested in thinning *during* the rotation period. This production level, of course, is predicated upon prompt stand establishment, fertilization, and thinning. But, it produces a growth rate more than 5½ times that used in the Forest Service data, over the rotation period.

If we were to use the 2.5 growth rate index, rather than the 0.45 of the Forest Service data, and were to apply it even using the report's methodology, the Library of Congress report's conclusions would be reversed. They show annual removal in 1972 of 5.17 million cunits of softwood, but the annual growth statistic would escalate to 8.95 million cunits, giving an apparent excess of growth over harvest totaling 3.78 million cunits on these industrial forest lands.

The 2.5 index would be an overstatement, since not all industry lands are managed at this intensity—just as the 0.45 index is a gross understatement, since few if any of these lands are still managed at the custodial levels of the early 1960s, either. Actual current average industry practice is somewhere between these two extremes, but it is moving up rapidly.

Nevertheless, the tremendous differences in the growth indices, ranging from growth of naturally regenerated stands under custodial protection from wildfire—the index used in the report—and that representing growth in intensively managed forest plantations, is key to understanding of the Northwest's future timber supply; it is not considered at all in the report. This difference displays the range of choices open to the industrial landowners, and to the people, of the region, and demonstrates that the industry sector does not *have* to run out of wood supply from its own lands in 16, 17 or 26 years—or over any imaginable span of years at current harvest levels.

4. *In addition to lack of recognition of current industry utilization in terms of sizes represented in the timber inventory statistics, the report totally overlooks the tremendous impact that utilization improvement can have on the product volume generated by each acre of harvest. This utilization impact provides an additional multiplier that cannot be ignored in assessing future timber supply and its economic impact.*

"Timber supply" must be viewed not only in terms of physical volumes of wood present in the forest, but in terms of the volumes of products which can be made and marketed from that wood supply. Jobs and economic value added depend largely on the economic utilization of timber, rather than upon its presence in volumes per acre at time of harvest.

If we look back at a typical old growth fir acre in our Western Oregon holdings in 1948, we would find that it produced only 3,640 cubic feet of products, in wood equivalent, even though 17,920 cubic feet of wood was harvested. The remaining 14,280 cubic feet ended up as fuel or waste.

By 1963, at approximately the time that the Forest Service field studies were gathering the data used as a base for the present Library of Congress report, there had been significant improvement. Out of 17,920 cubic feet downed at harvest, more than half—9,273 cubic feet—would have ended up in manufactured products: 4,617 in lumber; 3,842 in linerboard, and 814 in plywood. 8,647 cubic feet still would have ended up in fuel or waste.

By 1973, which is closer to the time period that we should be dealing with in discussion of timber supply and potential forest policy—14,113 cubic feet of that harvest would have gone to products, and only 3,807 to fuel or waste. Lumber would have utilized 5,009 cubic feet; plywood, 1,736; particleboard, 1,520; linerboard, 5,848. Thus, in a ten year period, a constant volume of timber supply would have contributed 52% more products, because of improving utilization.

However, the Forest Service statistics upon which this report was based hold utilization constant through the future, supposedly at 1970 levels which, because of the time lag in bringing field studies forward for statistical consolidation, actually represent conditions of the 1960s. Utilization progress has accelerated rapidly above the 1960s level so far in the 1970s, and can be expected to continue to increase rapidly because of the new emphasis on utilization and process research within the industry.

Failure to deal with the utilization issue is a major defect in the report.

5. *The report is self-contradictory in its comments on the potential impact of log export limitations.*

The rationale for log export regulation set forth on pages 3 and 4 of the Library of Congress report is refuted by the report itself, on page 23, when it correctly concludes that such regulation "would not result in additional logs being sold to competitive plants." The report, however, fails to recognize that the recent escalation in stumpage prices has been highest in those parts of the Northwest which do *not* export logs, and lowest in the log-exporting region. Nor does it recognize that log exports, which are generated from a small portion of the Pacific Northwest forest industry lands generate investment income which flows into both reforestation and plant expansion *throughout* the region.

6. *Although the report's conclusions on the specific questions of timber supply are erroneous, the report does correctly identify the issue of timber growth as one of overriding importance for the region.*

Because of the Library of Congress report's reliance on obsolete data, inappropriate measurement, and too-simple methodology, it concerns itself wholly with the ability of the region to sustain a status-quo forest products industry over time. It thus does not deal with the fact that market demand for industrial wood in raw material and product form will *double* by the end of the century. Obviously, a static industry would meet neither the economic needs of the industry, the region's economy, nor of the consuming markets. The issue of timber supply is thus really one of *creating* adequate supply to support future *growth* in the industry. The conclusions of the report, as they relate to the need for growth stimulation, thus are fully correct, in terms of public and industry need. Several of these conclusions, with which we fully agree, include:

Page 17: . . . "growth rate on public forests is substantially below the optimum that can be achieved based on present knowledge. Funding of reforestation, and stand improvement work and provision for the management road infrastructure have been well below technically desired and supportable levels . . . However, the shorter cycles require intensive management, early regeneration of all acres that are either cut or otherwise deforested, a succession of thinning and other cultural operations. During the cycle, provision is needed to remove usable material, to quickly identify crop trees and move them to the desired level of growth, for intensive protection so that the crop is realized . . . A key element of the conversion process is that the overhang of old-growth timber offers the best opportunity to make these adjustments smoothly for future productivity."

Page 20: "Looking at the Douglas fir region timber supply situation, the fundamental issue would still remain: how to improve the level of actual growth to potentially attainable levels . . . Since a tree is both a factory and a product it is essential that ample supply of growing trees be maintained and that an acceptable rate of growth be secured. On the private holdings, as well as on some of the public holdings, the volume carried per acre needs to be increased. On all of the lands, public and private, a much higher rate of growth is required."

Page 21: "None of the signs on the horizon point to a long-term reduction in the demand and needs of the principal customer for softwood logs, Japan, nor for a long-term reduction in the domestic demand for forest products."

Page 22: "All of the signs suggest that a concerted effort must be made to increase the growth of timber on all lands, public and private. This is an attainable goal."

NEKOOSA EDWARDS PAPER CO., INC.,
July 23, 1975.

Hon. LLOYD BENTSEN,
Chairman, Transportation Subcommittee, Public Works Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR BENTSEN: I just learned that the Transportation Subcommittee of the Public Works Committee is holding hearings on the U.S. Forest Service road building program. If this letter is not too late, I would like to have my comments incorporated into the official proceedings on this hearing.

Our company, Nekoosa Edwards Paper Company, Inc., purchases timber sales from the Ouachita National Forest of the U.S. Forest Service. Additionally, we purchase timber from other operators who have purchased National Forest timber sales within our wood purchase area. We have talked with them at length about Forest Service road building policies. Therefore, we feel that we are qualified to make the following comments relative to the existing Forest Service programs.

First, we find that the Forest Service has greatly accelerated its Purchaser Constructed road program. Under this program, timber purchasers are required as a condition of making a Forest Service timber sale, to construct a road to Forest Service specifications, ostensibly to effect the removal of the timber from the sale. In the last several years, the Forest Service program on purchaser road construction has accelerated greatly, and while we do not have figures at hand, we suspect that the purchaser road construction has increased 8 to 10 fold. This dramatic increase in road construction requirements has, in effect, diverted much of timber purchaser's energies from his primary pursuit, of harvesting and selling timber, into road construction activity. This is looked upon as an unnecessary and unwarranted burden on the part of the timber purchaser and is accepted only because the purchaser has no alternative source of timber supply for his operations.

Second, analysis of the road construction program indicates that the Forest Service is reconstructing many existing roads into timber stands. The old roads have been used in the past for timber removal and for administrative purposes, but the Forest Service is requiring abandonment of these existing roads and construction of new roads. When quizzed on the need for new roads, the timber purchaser is always answered with the stock phrase "it is required for environmental protection."

Third, analysis of timber purchaser road construction requirements indicates that the Forest Service is building these roads to a much higher standard than is required for timber removal only. It is our understanding that by Congressional Act, purchaser, road construction is to be limited to that required for the removal of the timber. However, the standards being imposed for purchaser constructed roads are for in excess of those required for actual timber removal. Our company currently constructs roads for timber removal at a cost of $2,500 to $3,000 per mile.

Perhaps our biggest objection to the current Forest Service road building program, aside from the very high standards and the very high cost of such roads, is the fact that after these roads are constructed, they are being closed to public use and not being maintained by the Forest Service. As a consequence, when these roads are required for use 5 to 10 years later, additional reconstruction is required. When the Forest Service is quizzed on why these roads are being closed, a purchaser is advised that the Forest Service does not have funds available to maintain such roads. They explained that the roads will be open for administrative uses when required.

It is my understanding that your Committee has received comments on the impact of the Forest Service purchaser road construction program on the county turnback funds. By constructing unnecessary roads and by constructing roads to standards well in excess of those required for timber removal only, many of the rural counties in our area will suffer serious declines in the revenue returned by the U.S. Forest Service. While this was not the case in fiscal 1974 and 1975, because of the high prices commanded by Forest Service timber, the impact in 1976 will be very severe because of reduced sale volume and depressed prices for timber.

Our company supports the purchaser constructed road concept for development of access into National Forest timber. We are particularly pleased to note that the Renewable Resources Planning Act does require that purchaser road construction be treated as a funded budgeted item. We feel that this will introduce considerable more accountability into the purchaser construction road program and will minimize, what we consider poor practices on the part of Forest Service in reconstruction, design, and location of purchaser roads. The concept of purchaser road construction is, in our opinion, absolutely essential for the orderly and efficient development of National Forest lands, particularly in the over mature and declining stands in the West. We also recognize that there is need for such construction in many locations in the South. However, we respectfully submit to your Committee that purchaser road construction should be limited to areas of absolute need and construction should be to such standards which will accomplish the removal of the timber, with minimum impact on the environment, and with minimum expenditure of the taxpayer's money.

We appreciate having this opportunity of presenting our views.

Very truly yours,

A L. C. Nelson,
Manager, Southern Woodlands.

W. L. Sherrod Lumber Co., Inc.,
Greenville, Fla., September 3, 1975.

Hon. Lloyd Bentsen,
Chairman, Transportation Subcommittee, Public Works Committee, Washington, D.C.

Dear Senator: We are in agreement with the views presented to the Transportation Subcommittee of the Senate Public Works Committee at a hearing on July 14, 1975, relative to improving the accessibility to National Forest Timber.

The present method of dependence on purchaser constructed roads works a hardship on small businesses in accomplishing the work and being successful in bidding on such timber.

Sincerely,

Hubert L. Sherrod, *President.*

Southeastern Lumber Manufacturers Association,
College Park, Ga., July 28, 1975.

Hon. Lloyd Bentsen,
Chairman, Transportation Subcommittee, Public Works Committee, Dirksen Senate Office Building, Washington, D.C.

Dear Senator Bentsen: This Association represents 246 independent small business lumber manufacturers located in the states of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia, with total lumber production of more than 1.5 billion board feet annually. Many of our members purchase timber from public lands managed by the U.S. Forest Service.

We understand that a number of recommendations concerning the Forest Service roadbuilding program were made before your Transportation Subcommittee of the Senate Public Works Committee in Washington on Monday, July 14. SLMA endorses a number of those recommendations, specifically the belief that (1) Forest Service roads are overdesigned; (2) unnecessary roads are built; (3) purchaser credit for road construction is insufficient; (4) roads are built, then closed and not used; and (5) the Forest Service should be funded adequately to build its own roads.

It is our understanding that the Subcommittee, as well as other groups, including environmentalists, were in agreement on this matter. We are publicizing our position in this matter to a number of our members with the request that they too contact you in this regard. Your continued support and efforts in influencing the U.S. Forest Service to make these changes is appreciated.

Please keep us apprised of future developments.

Sincerely yours,

JOHN C. MILLINER, Jr.,
Executive Vice President.

TEXAS FORESTRY ASSOCIATION,
Lufkin, Tex., July 23, 1975.

Hon. LLOYD BENTSEN,
Chairman, Transportation Subcommittee, Public Works Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR BENTSEN: Since I was unable to attend your July 14, 1975 hearing on the Forest Service Road Building Program, it is respectfully requested that this letter be included in the official record of the hearing.

It is our opinion that purchasers of timber on National Forests frequently receive insufficient credit for road construction.

I have been advised by purchasers of National Forest timber that roads they have been required to build, before the harvested timber is removed, are sometimes closed and not used after the timber is harvested. This fact appears to emphasize that unnecessary roads are being built.

In many cases roads are greatly overdesigned for any foreseeable future use.

A partial solution to some of these problems would be to provide adequate funding for the U.S. Forest Service to construct its own roads, when a thorough study indicated the need of the roads.

Respectfully,

E. R. WAGONER.

TIMBERLANDS, DIVISION OF CHAMPION INTERNATIONAL,
Corrigan, Tex., July 21, 1975.

Hon. LLOYD BENTSEN,
Chairman, Transportation Subcommittee, Public Works Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. BENTSEN: Recently Mr. Jim White of Deltic Farm & Timber Company in Arkansas testified before your subcommittee regarding the U.S. Forest Service Road Building Program.

I would like to emphasize what Mr. White said by way of this letter. We, in the forest products industry, feel that often time the *Forest Service is overdesigning roads.* By this, I mean they require certain surface materials such as crushed limestone in East Texas. This runs the cost of roads unduly high to the taxpayers. Purchaser credit often is not sufficient to cover the cost of the road. On one recent road, the lowest bid I received was thirty percent (30%) above purchaser credit. It seems to me this figure should be plus or minus ten percent (10%). Since we are having such a problem getting roads built we would like to see the Forest Service build their own roads.

Most of the roads presently being built are closed to the public after logging ceases. Many times sales can be logged without building the specified road. Of course, if the road is included as a part of the sale the purchaser must build it.

Our relationship with the Forest Service in East Texas has been most favorable over the years and I would want you to know that the supervisor and his staff are most cooperative with industry. These things I am writing about are above and out of the control of the supervisors office.

Very truly yours,

ROBERT N. WEBB,
Forestry Manager, Corrigan Operation.

Allocating Road Construction Costs on National Forests in Montana: Methods and Implications

(By J. R. Host)

INTRODUCTION

National Forests play an important role in Montana, particularly the western part of the State where they total about 80 percent of the land area. National Forests provide a wide range of outdoor recreation. Timber from the National Forests sustains the wood products industries that are the foundation of year-round employment. Counties wherein National Forest timber is being cut receive payments in lieu of taxes based on net receipts of timber sales.

Bountiful as the National Forests may be, an unsound method of allocating the costs of road building—a large investment in the West—is sapping both social and economic benefits and is compromising good forest management as well. Through the use of a cost allocation model I propose to show why the present system of financing multipurpose forest roads is undesirable and its impact on both the economy of a typical western state and on forest management. I will also suggest how forest roads should be financed, to the benefit of citizens and forest managers alike.

HOW ROAD CONSTRUCTION COSTS ARE ALLOCATED

Excluding primary access roads that are financed by Congressional appropriations, most of the permanent roads on the National Forests are financed by the sale of timber. The Forest Service has been using a form of the Incremental Method as explained in Technical Report No. 1.[1] Although the Incremental Method is well accepted it's not being applied properly in this instance. This conclusion is borne out by a GAO report dealing with the Forest Service method of allocating multiple use road costs because not all road user groups are being considered. Secondly, difficulties of construction are not adequately considered.[2]

Essentially, the Forest Service Method allocates road construction costs according to highway rationale—namely vehicle size classes and traffic count for each size class. Although this is acceptable for highways it is not so for logging roads because there are radical differences between highways and the logging roads.[3] Furthermore, there are significant differences between multiple use and timber-oriented road standards.[4] Consequently, it is logical to conclude that the standard application of the Incremental Method by vehicle size classes as proposed by the Forest Service method is not appropriate for forest roads. Also, adequate recognition is not given to forest user groups or resources.

HOW CONSTRUCTION COSTS SHOULD BE ALLOCATED

Proper application of the Incremental Method begins with determining minimum road standards for each of the user groups under consideration. These are then ranked on the basis of least to highest cost. The users having the same cost are grouped together and each group constitutes an increment above the least cost or basic road. Table I shows the ordering of the total requirements for the different forest user groups. Standards having the greatest effect on construction costs are roadbed width, grade, and ditching requirements. Travel speed and average daily traffic have an influence on these standards, and hence costs are difficult to quantify. Effect of curve radius on costs can be evaluated only under specific situations.

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[1] USFS. 1968. Allocating road construction and maintenance costs to the major vehicle classes using the Forest Service transportation system. Technical Report No. 1. Div. of Engineering, USDA Forest Service, Washington, D.C.

[2] Comptroller General of the U.S. 1970. Report to Congress: Funds appropriated for roads and trails could be used more effectively by the Forest Service (B-125053, Nov. 20.)

[3] DeKalb, V. M. 1971 Transportation system analysis and resource planning. Field Notes Vol. IV, No. 9. Forest Service, USDA, Washington, D.C.

Gignac, T. 1962. Some aspects of forest truck road location and construction. Woodlands Section Index No. 2124 (B-8-b). Pulp and Paper Research Institute of Canada. Pointe Claire, P. Q. Canada.

Host, J. R. 1954. Logging road construction in the Pacific Northwest. M. F. Thesis. University of Washington, Seattle, Wash.

Mathews, D. M. 1942. Cost control in the logging industry. McGraw-Hill Book Co. of New York, N.Y.

[4] Details of specific standards, elaboration of cost allocation rationale, and model derivation and application can be analyzed in the original study reported in Host, J. R. 1973. Allocating multiple-use road costs under Forest Service policy constraints. M.B.A. Professional Paper. School of Business Administration. University of Montana, Missoula, Montana.

Using composite road standards in seven situations—three hypothetical and four actual cases—proper application of the Incremental Method indicates that Timber Management should be charged the lowest costs while Recreation should be charged the most. Table 2 shows the results of the Incremental Method for the seven cases, in percentage of total construction cost to be allocated to each of the specific uses.

TABLE 1.—ROAD SPECIFICATIONS FOR VARIOUS FOREST ROAD USER GROUPS

Standard	Wood	Wildlife	Forage	Administration	Water	Recreation
Travel speed (miles per hour)	20	20	20	20	----	30
Minimum curve (radius, feet)	60	60	60	60	----	150
Average daily travel	40	----	----	10	----	100
Maximum grade—favorable (percent)	12	12	12	12	8	10
Maximum grade—adverse (percent)	6	6	6	6	8	6
Surface width (feet)	12	12	12	12	12	16
Roadbed width (feet)	14	14	14	16	16	20
Backslope critical	----	----	----	----	X	X
Ditch critical	----	----	----	X	X	X

Source: Host, J. R. 1973. Allocating multiple-use road costs under Forest Service policy constraints.

TABLE 2.—ROAD CONSTRUCTION COST ALLOCATION BY INCREMENTAL METHOD FOR 7 EXAMPLES—IN PERCENTAGE OF TOTAL COST

Use	Mean (percent)	Range (percent)	Number of cases
Wood	8.4	0.0–16.3	7
Forage	10.5	6.2–16.3	4
Wildlife	12.1	6.2–18.9	5
Administration	15.1	10.8–18.9	6
Water	15.4	0–20.5	7
Recreation	50.8	30.1–100.0	7

Source: Host, 1973, op. cit.

Costs of constructing permanent roads are included in the stumpage value but are deducted as purchaser road credits; hence, road costs reduce net timber receipts. Examination of all sales through a three year period (1965–67) for National Forests in California, Idaho, Montana, Oregon, and Washington shows road construction allowances to equal 40 percent of timber receipts. The Flathead National Forest in Montana, had road allowances equal to 39 percent of stumpage value for all sales in 1967. This is a considerable reduction of timber receipts.

Because multiple-use roads cost more than single-use timber roads, timber sale receipts are lowered by multiple-use management goals.

Remember, timber is carrying almost the full cost of the roads. As shown in Table 2, timber should pay an average of 8.4 percent of total costs. Administrative use of these roads should pay twice as much, 15.1 percent of total costs, and recreation should be charged 6 times as much as timber.

IMPLICATIONS

It has been clearly demonstrated that proper application of the Incremental Method will lessen the burden on timber receipts, contrary to the Forest Service Method, which only partially applies the Incremental Method, and gives certain users a "free ride."

Adopting a sound allocation process would have far reaching consequences. Specifically, it would affect harvesting operations on marginal lands, lieu payments to counties, Federal Roads and Trails funding, multiple-use decisionmaking, and better recognition of the interdependence of forest resources.

EFFECT ON MARGINAL LANDS

There are 2.5 million acres of marginal commercial forest land on National Forests within Montana.[5] Much of these lands are economically unmanageable because of high development costs, low product values, or both. Since road allowances amount to about 40 percent of stumpage values, allocating 84 percent of road costs, as determined by the upper range of wooduse allocation in Table 2e to other users amounts to an increase of 34 percent (84% of 40%) for net stumpage values. This would also increase the amount of timber that can be harvested economically.

Even a slight increase in available timber had a dramatic effect on Montana's economy because of "income multipliers." For instance, every new dollar in the State's logging sector, increases the wood processing sector by $6.21.[6] Furthermore, there is an additional wood processing multiplier of 3.37.[7] Hence, every extra dollar's worth of logs harvested adds $20.93 to Montana's economy. Marginal lands comprise 15.2 percent of commercial forest lands on Montana's National Forests. Assuming a 10 percent increase in timber harvest as a result of lowered road costs, the following would occur: [8]

Change in total harvest +10%
Change in value of logging output +$1,914,000
Change in value of state output +$40.060,020
Change in State personal income +$11,273,460
Change in State employment +1,367 man years.

These figures are derived as follows:

Total harvest change is based on the assumption that reduction of road costs will increase stumpage values to permit operations in currently classed marginal lands.

Values of logging output (+$1,914,000) is derived from 1972 average stumpage value times 10 percent of volume sold that year on Montana's National Forests. This is a conservative volume since it is only 64 percent of allowable cut.

Value of State output (+$40,060,020) is the value multiplier for the State's logging sector (6.21) times the multiplier for the wood processing sector (3.37) or 20.93 times the logging sector output.

State personal income change (+$11,273,460) is the result of multiplying the logging sector output increase by the personal income multiplier (5.89).

State employment change (+1,367 man hours) results from multiplying the logging sector output by .0007141 or 6.21 x .000115 the logging sector multiplier times the employment multiplier for the logging sector.

LIEU PAYMENTS AND FOREST ROAD AND TRAIL FUNDS

In lieu of property taxes on National Forest lands, 25 percent of net timber receipts are returned to counties in which Federal timber is cut. Although higher "in lieu" payments may not reduce taxes paid by individuals, an increase in Federal payments will improve county roads and schools.

Congress annually appropriates funds for primary forest roads and trails. These appropriations equal at least 10 percent of net timber receipts. It is highly speculatetive to assume any direct relation of these funds to log output, nevertheless, it is a portion of net timber receipts that is returned to the local economy.

Again, if road costs are fairly allocated as summarized in Table 2, 34 percent of total stumpage value would be added to net timber value, which would increase net timber receipts by 34 percent. Furthermore, the 35 percent of net timber receipts (25% lieu payment plus 10% R&T funds) means that an additional 12 percent of timber sale receipts are added to the local economy.

MANAGEMENT DECISIONS

Forest management decisionmaking does not recognize the full importance of timber financed roads. Multiple use-environmental impact decisions must have their biases recognized in order to properly evaluate the decisionmanking process. This lack of recognition and resulting biases are understandably caused because

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[5] Benson, et al. 1974. A descriptive analysis of Montana's forest resources: a progress report (Review Draft). Intermountain Forest and Range Experiment Station. Ogden, Utah.

[6] Benson et al. 1974, op. cit.

[7] Johnson, M. 1972. Wood products in Montana. Montana Business Quarterly. Bur. Bus. & Econ. Res., Univ. of Montana. Missoula, MT.

[8] Benson et al. 1974. op. cit. Note: The multipliers used from this report must be used with caution because of simplifying assumptions and crudeness of input data caused by lack of better information being available.

no workable cost allocation model has been available until now. Not only would this cost allocation model correct these decisionmaking deficiencies, it would also establish supplementary funding criteria for multiple use forest roads which is suggested by the President's Advisory Panel on Timber and the Environment: "direct and control all nontimber uses . . . recreation and other nontimber uses will have to be controlled and managed just as management has been applied over many years to timber growing and harvest and to grazing use . . . Require Federal agencies to devise and apply systems of charges or fees for recreation activity . . . equitable to users and reflect the costs of providing the recreation area and its facilities." [9]

It is apparent that the proper allocation of costs will be critical for implementing these suggestions. Currently, little effort is being made to spread the costs of forest management—timber sales are still carrying most of the burden.

EQUITY

Inequitable cost allocation tends toward misallocation of resources because comparative values are unknown. For instance, some Federal Roads and Trails Funds are used to pay Recreation's share of maintenance charges on National Forest roads. It was mentioned earlier that the minimum funding for roads and trails is equal to 10 percent of net timber receipts. The question arises, how can Recreation's maintenance charges be related to net timber receipts?

Timber's contribution to the development and enhancement of other forest resources is not given full credit. An equitable allocation of road construction costs is one step toward this recognition. Public forums for deciding environmental problems overlook this.

Actually, recognition of the broad management implications of forest roads is being overlooked. For instance, helicopter logging is used to minimize ground disturbance and increase road spacing. Yet, roads are needed for subsequent land management activities.

SOLUTION TO PROBLEM

Sources of nontimber funding for road construction may be difficult to find. Current budgetary and allocation practices allow transferring funds within the total Forest Service appropriation. That is, range management funds can be used to supplement roadbuilding costs or recreation funds to be used to finance campground construction. The Fish and Game Departments of various states provide funds to the Highway Department to construct fishing access facilities. Essentially the same can be done for timber-financed roads that provide fishing and hunting access. The same can be done for nontimber uses as suggested in the Seaton Report.[10] This report specifically states that Federal agencies should levy charges that equitably reflect the incurred costs for different users.

Applying the Incremental Method based on Table 1 and summarized in Table 2 is one way to solve this problem. Another answer would be to build roads for harvesting timber, which would be far less costly than multiple use roads. Either course of action would bring a striking improvement to State and County economies and, perhaps more important, to forest management as well.

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[9] Seaton, et al. 1973. The president's advisory panel on timber and the environment. GPO. Washington, D.C.

[10] Seaton, et al. 1973, op. cit.

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-125053

The Honorable Don Bonker
House of Representatives

Dear Mr. Bonker:

At the December 19, 1974, request of former Congressman Wendell Wyatt and later discussions with your office, we are reporting on the proposed move of the St. Helens Ranger District headquarters from its location at Pine Creek in the Gifford Pinchot National Forest to Yale, Washington.

We reviewed available records at the Forest Service headquarters in Washington, D.C., and interviewed Forest Service officials at the headquarters office; the regional office in Portland, Oregon; the forest supervisor's office in Vancouver, Washington; and the district headquarters at Pine Creek, Washington. We discussed the report contents with Forest Service officials and considered their views in preparing this report and also obtained the views of some timber industry representatives.

Mr. Wyatt was concerned about the unnecessary expenditures of Federal funds to move a facility which he said had been moved several times in the last 10 to 15 years and the effect this move would have on the forest users.

RANGER DISTRICT REORGANIZATIONS

Forest Service officials told us that reorganizations of ranger districts occur periodically and are necessary to

--facilitate management of the districts' changing workloads,

--more effectively use personnel, and

--improve services to the forest users.

The ranger districts in the Gifford Pinchot National Forest have been reorganized and changed several times in the last 17 years. The facility at Pine Creek has served as a district headquarters since 1959.

In 1957 the Lewis River Ranger District headquarters was moved from the Lewis River Guard Station to Chelatchie

because a hydroelectric project was being built on the old site. Headquarters for the Canyon Creek Ranger District was also located at Chelatchie. At that time Pine Creek was a work area for the Lewis River Ranger District.

In 1959 the Pine Creek office was constructed and the Lewis River Ranger District headquarters was moved there. In 1966 the districts were organized eliminating the Spirit Lake and Willard Ranger Districts. One of the districts was combined with the Canyon Creek Ranger District and renamed the St. Helens Ranger District with headquarters at Chelatchie. The Lewis River Ranger District was enlarged; its headquarters remained at Pine Creek. In 1972 the old St. Helens Ranger District was split and a portion was added to the Lewis River Ranger District. This became the new St. Helens Ranger District with headquarters at Pine Creek.

The St. Helens Ranger District facilities at Pine Creek consist of nine three-bedroom houses, two two-bedroom houses, three bunkhouses, a messhall, an office building, a warehouse, a washhouse, an oilhouse, a generator house, an equipment storage building, and five trailers. The Forest Service has estimated the facilities' present value at about $380,000. The headquarters is primarily responsible for timber management, fire control, timber sales administration, and recreational management on the national forest. The district has two major work areas: Pine Creek is primarily concerned with timber activities and Spirit Lake is primarily concerned with recreational activities. The Spirit Lake area is serviced in the summer by Forest Service personnel who live there in Government-owned facilities.

As of March 1975, 27 employees were assigned to the St. Helens Ranger District; 12 lived at Pine Creek and 15 lived near Yale, Washington, about 23 miles from Pine Creek. (See enc. I.) During the summer months the number of employees at Pine Creek increases by about 30. These summer employees work on maintaining recreation sites, preparing timber sales, removing slash, and reforesting. Most of these summer employees live in bunkhouses at Pine Creek.

RELOCATION OF DISTRICT HEADQUARTERS

In 1971, when the Forest Service made a study to consider reorganizing the ranger districts in the Gifford Pinchot National Forest, they also considered moving the St. Helens Ranger District headquarters office. According to the study

report, the decision to retain the headquarters office at Pine Creek was

> "* * * based primarily on service to the public in the future, cost in travel time and dollars for personnel traveling to and from the headquarters to work locations, and the cost of establishing an entire new site when the availability of funds is quite limited."

In addition, the Forest Service decided that no further capital improvements would be made at Pine Creek until a study or experience provided a better basis for a long-term decision.

The 1971 study recognized that the Cougar area would be a better location because it would have made the district headquarters more accessible to the general public. (See enc. I.) School facilities, telephone service, and commercial electric power would have been available and the cost of removing snow (about $10,000 annually) from the road between Cougar and Pine Creek would have been eliminated.

In 1974 the forest supervisor initiated a Forest Service study to select alternative sites for the St. Helens Ranger District headquarters and cited the following reasons:

> "The present location at Pine Creek is unsatisfactory from administrative and employee welfare standpoints. The station is remote without school or other community facilities. The road along Swift Reservoir (N-90) is subject to washout which leaves the station isolated. No telephone or commercial electrical service is available or is likely to become available within the next 10 years. It is next to impossible to recruit people for long term employment due to lack of schools and the remote location."

The study recommended three alternative locations (in order of preference): Yale, Woodland, and Chelatchie; 23, 46, and 30 miles respectively, from Pine Creek. (See enc. I.) The Yale location was considered the best of the three sites because it (1) offered the lowest overall cost alternative, (2) was at the highway junction leading to the Pine Creek area, and (3) had suitable housing within commuting distance.

Since the study assumed that adequate private housing would be available within commuting distance of Yale, the cost of providing Government housing was not considered. The study recommended that the excess residential homes at Pine Creek be sold for offsite removal.

The study considered retaining the headquarters office at Pine Creek because of the low administration cost and because it is the district's principal work area. The Pine Creek site was discounted, however, because it offered little to the employees and was not as accessible to the public as the other sites.

OUR EVALUATION OF PROPOSED MOVE

The 1974 study report showed that the proposed move would increase operating costs about $18,000 annually. In a March 13, 1975, letter the regional forester said the benefits of increased employee morale and living conditions and being able to offer greater services to the public far outweighed the increased operating costs. The study, however, did not consider all costs involved with the proposed move.

Annual cost factors which need to be considered

The Forest Service's cost analysis, prepared as part of the 1974 study (see enc. II), did not consider the following annual costs to the Government:

--The cost of operating the Pine Creek facility as the principal work area from about April to November, which Forest Service officials have estimated at $15,000.

--The cost of maintaining the same level of services through overtime or by hiring additional personnel to compensate for work time lost due to increased travel time from the Yale site to the Pine Creek work area and back again. Forest Service officials have not determined how much this will cost.

The 1974 study recommended selling the Pine Creek residences in excess of the district's needs for offsite removal. In April 1975 Forest Service officials said that housing within commuting distance of the proposed Yale site was limited and that it was planning to move the excess

residences from Pine Creek to the Chelatchie engineering site to provide Government-owned employee housing. The Forest Service will continue to incur annual maintenance costs on these residences estimated to be $2,500.

One-time cost factors which need to be considered

The 1974 study disclosed the need to move the radio relay station to provide good district radio communications. The cost analysis did not include the estimated $6,000 cost of this move.

Since current plans are to move the excess residences at Pine Creek to Government-owned land in Chelatchie, the relocation cost should be considered as part of the cost of the proposed move. Forest Service officials have an estimate, from a professional house mover, of $10,000 to relocate each of the nine excess residences.

Factors other than cost that need to be considered

According to Forest Service officials, moving the St. Helens Ranger District headquarters would improve services to the public and would increase employee job satisfaction. The proposed Yale site would make the district headquarters more accessible to many forest users either through personal visits or telephone contacts. However, forest users of the Spirit Lake recreation area, which is about 100 miles from Yale, are helped by Forest Service personnel stationed at Spirit Lake. Also, since forest users are not required to check in at the headquarters office, many go directly to the various camp sites and trails without stopping at the district headquarters.

The study report and later discussions and correspondence with district officials indicated that one of the primary reasons for the move was employee convenience. For example, in a March 13, 1975, letter, the regional forester listed the following disadvantages of the present site that Forest Service employees frequently mentioned.

--No social opportunities for children exist except with other Forest Service families. This is especially true for children of high school age.

--No organized recreational activities are available in the vicinity. The nearest theater is 50 miles away.

--To attend church services, where a choice is available, a family must travel 50 miles.

--Employees lack an opportunity to become involved in community affairs.

--Employees lack the opportunity to select friends from other fields of employment.

--Employees cannot easily get away from their job location, their supervisors, or other employees.

--Summer employees lack the opportunity for things to to do during off-hours.

--Because of the isolation factor, it is difficult to hire permanent minority employees.

The forest supervisor told us that district employees are not required to live at Pine Creek and that most of the problems mentioned by the regional forester relate to the employees who do live at Pine Creek. According to district officials, the biggest problems are those associated with winter isolation. During the summer months, many of the 60 to 70 summer homes in a nearby development are occupied. On a summer holiday weekend, as many as 500 people are in the Pine Creek area.

According to the regional forester, moving the St. Helens district headquarters to Yale would cut in half the distance from Pine Creek to medical and dental facilities, many forms of recreation, high school, churches, private housing, and adequate shopping facilities. (See enc. III.) This reduction in distance would apply only to employees and families who live at Pine Creek.

District officials told us that, except for the winter months (November through March), access to the Pine Creek site is reasonably good. The road is paved and normal commuting time from Yale is 35 to 40 minutes. However, a number of areas along the road are frequently subject to

landslides and rocks being washed down on the road. District officials said that most of the landslides are small enough that one lane of traffic can be freed and the road can be cleaned up in a day. However, in recent years three major road washouts have closed the road for extended periods of time. The most serious washout occurred in 1974 and closed the road for about 4 months. During this period the county opened a temporary road for the Pine Creek residents.

In a March 13, 1975, letter the regional forester told us that, within the last 2 years, five employees had requested transfers from the St. Helens district due to medical or education problems. The forest supervisor told us that:

> "A review of turnover on all districts for the past three years indicates no significant difference between St. Helens and others. I feel this is largely due to our efforts in recruiting individuals who will provide this same stability at St. Helens."

Timber industry views on proposed relocation

In May 1975 some timber industry representatives told us that they were against the proposed move of the district headquarters from Pine Creek. The main reasons were that (1) the district headquarters would be located farther from the timber sale area and would result in further delays in obtaining necessary services from Forest Service employees and (2) the road to Pine Creek would be more susceptible to serious washouts since it would not be regularly traveled during the winter months and the factors leading to the washouts would go unnoticed.

They were concerned also about the expenditure of funds for moving the district headquarters and the potential expenditure of additional funds to repair the road to Pine Creek due to the lack of winter maintenance. They said that these funds could be put to better use and cited several examples of needed road repairs, campsite improvements, and maintenance projects which had not been completed because of the lack of funds.

CONCLUSIONS

The Forest Service's 1974 cost analysis showed that the proposed move would cost an additional $18,000 a year. The cost analysis, however, did not include an estimated one-time cost of $96,000 for moving the radio relay station and the excess residences and additional annual costs of $15,000 to operate the Pine Creek work area and $2,500 to maintain the Government-owned housing. As long as there are increased costs, whatever the amount, the move cannot be justified on a purely economic basis. To justify the move, the Forest Service cited benefits to the public and especially to its employees.

The claimed improvement in services to the public primarily relates to better accessibility to the district headquarters for some forest users. However, the extent to which the services to the public will be improved by the move to Yale is questionable since (1) forest users are not required to stop at the district headquarters, (2) forest users are helped by Forest Service employees stationed at Spirit Lake, and (3) some forest users have been dissatisfied with the proposed move. We recognized that the commuting conditions and the isolation of the residents at Pine Creek could affect employee job satisfaction and productivity. Although these factors are not quantifiable, the move could have some beneficial affect on employees. It is not clear, however, whether this impact will be large enough to justify the costs of the move.

RECOMMENDATION TO THE SECRETARY OF AGRICULTURE

We recommend that the Secretary of Agriculture have the Forest Service reconsider its decision to move the St. Helens Ranger District headquarters, recognizing all pertinent costs.

As agreed with your office, copies of this report are being sent to the House and Senate Committees on Appropriations, the House and Senate Committees on Government Operations, and the Secretary of Agriculture. Also, as agreed,

copies are being sent to Congressmen Sidney R. Yates and Lloyd Meeds and to former Congressman Wendell Wyatt because of their interest in this report.

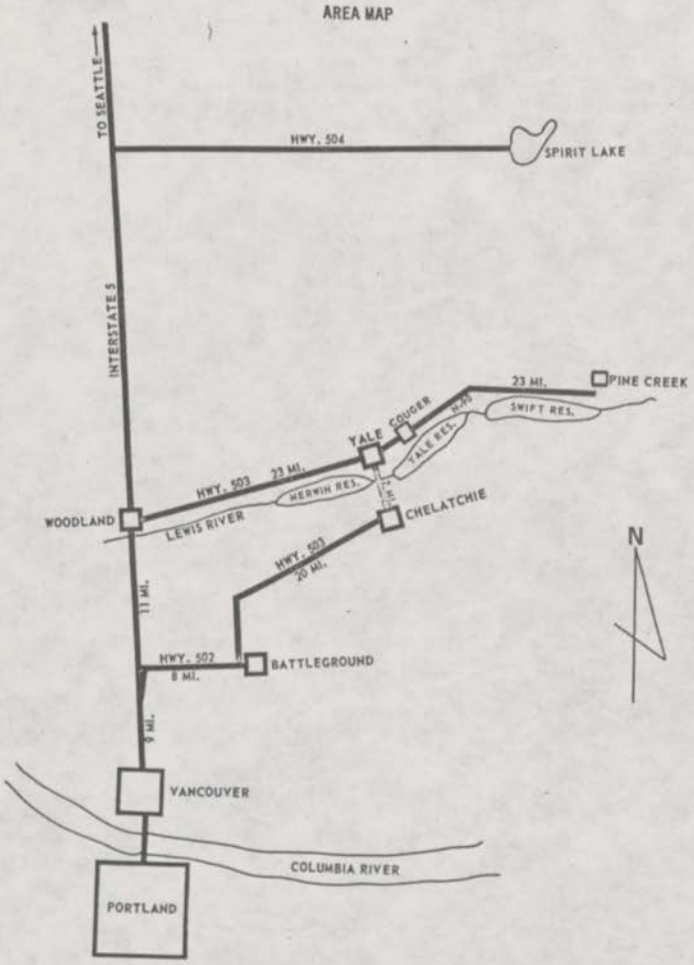
Sincerely yours,

Elmer B. Staats

Comptroller General
of the United States

Enclosures - 3

AREA MAP


TO SEATTLE
HWY. 504
SPIRIT LAKE
INTERSTATE 5
23 MI.
PINE CREEK
SWIFT RES.
YALE
COUGER
YALE RES.
HWY. 503
23 MI.
MERWIN RES.
WOODLAND
LEWIS RIVER
CHELATCHIE
HWY. 503
20 MI.
N
11 MI.
HWY. 502
8 MI.
BATTLEGROUND
9 MI.
VANCOUVER
COLUMBIA RIVER
PORTLAND

COMPARISON OF ANNUAL LEASING

A. COSTS WITH OPERATING COST AT PINE CREEK

	Lease at Yale	Pine Creek	Difference
Lease (see enc. III)	$32,700		
Snowplowing		$10,000	
Cost of freight shipments beyond Cougar		865	
Custodial duty to take care of generator on weekend and holidays during winters		2,750	
Electricity	300	12,000	
Telephone	4,225	800	
Maintenance of 9 residences at Pine Creek would be excess		2,500	
	$37,225	$28,915	a/$8,310

COMPARISON OF TRAVEL COSTS OF ALTERNATIVE SITES

B. WITH PINE CREEK (SALARY AND EQUIPMENT USE)

	Yale	Chelatchie	Woodland
Summer	+$10,502	+$16,069	+$19,338
Winter	- 614	- 533	- 877
	a/+$ 9,888	+$15,536	+$18,461

This summary indicates a relative comparison only since the same assumptions as to equipment and personnel were applied.

a/SUMMARY

$ 8,310
9,888

$18,198

Source: Forest Service 1974 study.

COMPARISONS BETWEEN PINE CREEK AND YALE

Distances from St. Helens Ranger Station at Pine Creek to:

	Distance	Location
Doctor	50 Miles	Woodland
Dentist	50 "	"
Hospital	70 "	Vancouver
Adequate shopping facilities	50 "	Woodland
Grade School (no school bus available for 15 miles)	23 "	Yale Community
High School (no school bus available for 15 miles)	50 "	Woodland
Church (where choice is available)	50 "	Woodland
Employee private rental houses	50 "	Woodland

At Pine Creek, no commercial power is available. Power is furnished by a diesel generator, which is kept running 24 hrs/day. No commercial telephone line is available. Telephone communication is by Forest Service owned radio-telephone, with one instrument in the office.

Proposal

To terminate a situation requiring employees to work and live in an isolated and remote location, we propose to establish an office with related facilities in the vicinity of the community of Yale.

Distances from Yale to:

	Distance	Location
Doctor	27 Miles	Woodland
Dentist	27 "	"
Hospital	47 "	Vancouver
Adequate shopping facilities	27 "	Woodland
Grade School (school bus avail)	2 "	Yale
High School (school bus avail)	27 "	Woodland
Churches	27 "	"
Private rental housing	27 "	"

Our proposal is to have U.S. General Services Administration ask for bids for construction by a private bidder of adequate headquarter facilities and lease to the U.S. Forest Service as headquarters.

Source: Forest Service 1974 study.

LODGEPOLE PINE REHABILITATION AND FINANCIAL PLAN

MOUNTAIN PINE BEETLE OUTBREAK

United States Forest Service - Region 6

Umatilla National Forest and Wallowa-Whitman National Forest

Prepared by: S. W. Carter Jr. — Forester — 3/3/75 — Date

Submitted by: H B Knaebel — Umatilla Forest Supervisor — 3-3-75 — Date

Wallowa-Whitman Forest Supervisor — 3/4/75 — Date

LODGEPOLE PINE HARVEST AND REHABILITATION OF

MOUNTAIN PINE BEETLE OUTBREAK AREA

A. Appropriation and Projects.

Summary of needs from Table I:

		FY 76	FY 77	FY 78-96	Total
1.	Forest Land Management				
	Timber Harvest and Supporting Activities	384,000	653,100	19,261,400	20,298,500
	Fire Protection and Fuel Reduction	917,400	917,400	9,462,200	11,297,000
	Total FLM	1,301,400	1,570,500	28,723,600	31,595,500
	(Sell Volume - MM bd.ft.)	(55)	(82)	(863)	(1,000)
2.	Forest Roads	28,048,000	28,588,000	30,722,000	88,358,000
	(Miles Road)	(1,103)	(1,113)	(773)	(2,989)
	Total Appropriated Funds	30,349,400	30,158,500	59,445,600	119,953,500

B. Feasibility and Desirability.

A total of 315,220 acres within a gross area of approximately 900,000 acres is currently infested with mountain pine beetle on the Umatilla and Wallowa-Whitman Forests. The principal host species is lodgepole pine. However, ponderosa pine is also being attacked in some areas.

The infestation is expected to expand and intensify until all of the lodgepole pine stands are infected and most of the trees six inches in diameter and larger are killed on a gross area of one million acres. Treatment of

the infested timber stands could have far-reaching impacts on water quality, wildlife habitat, soils, timber management, available forage, fire management and recreation.

A three-phase 21-year harvest and rehabilitation program will liquidate the threatened and infested lodgepole pine stands while mitigating soil, water, wildlife and other resource implications. The program is outlined in Table I. Timber harvest will be as follows:

Phase	% Area	% Volume
I	33.4	40
II	33.3	40
III	33.3	20

Where possible, the rehabilitation effort will be done with deposited funds from timber sales. Supplemental funding will be required to accomplish the total program.

A firm commitment from industry cannot be expected until a firm program is developed and offered.

C. Description of Work

1. Sale Preparation: Funds are needed to sell sales in FY 76 thru 80, FY 83 thru 87, and FY 90 thru 94. Costs are higher than normal sales due to the small sized material and a large amount of non-sawlog material.

2. Sale Administration: This work will continue thru FY 96 - costs to administer approximately 1000 MM bd.ft. of lodgepole pine.

3. Reforestation: These funds are necessary to supplement timber sale KV plans on these low value sales. Estimate 80% will be supplemented funds, 20% will be done with K-V funds. Estimated approximately one-third of harvested area will require artificial reforestation efforts, two-thirds of harvested area will regenerate naturally.

4. Range, Wildlife, Soil, Water and Air Management: These are the other resource technical skills required to accomplish the timber harvest program in a quality manner.

   This includes input from a Range Conservationist, Soil Scientist, Hydrologist, and Wildlife Biologist. Items included are input into Environmental Analysis Reports for sales, protection fencing, soil surveys, watershed monitoring, and wildlife-fish habitat evaluation and monitoring.

5. Fuel Treatment and Fire Protection: The mountain pine beetle has greatly intensified the fire control job. It has had a major impact on forest fuel models, fuel types and tonnages of available fuel. These funds will be used to alleviate this situation while the harvest program is underway. These items have been included in the National Fire Planning System.

6. Forest Roads and Trails: Lodgepole pine sales are currently deficit due to market conditions. Supplemental funds for purchaser constructed roads and pre-roading are required to accomplish this harvest program as outlined in Table I.

Supplementation in the form of surfacing and culverts will be used for purchaser constructed and reconstructed roads sold during FY 1976 and FY 1977. Pre-roading during FY 1976-1978 will serve sales sold in FY 1978 through 1980.

Summary of Pre-Roading:

F.Y.	Miles
76	582
77	563
78-96	773
Pre-roading total	1,918

The completed road system will serve all three sale entry periods during the 21-year harvest program. However, it must be coordinated and constructed during the first entry period to ensure this road system will also serve all future timber sales (regular and special programs) in this area and all other resources. Administrative traffic, range permittees, hunters, campers, and other recreationists will all benefit from improved access.

7. Expenditure Authorization: These figures reflect the expenditure authorizations needed in addition to the regular program.

D. Analysis of Harvest Program

The lodgepole pine stands in the infestation area are typically over-mature, small diameter, overstocked and stagnated. Ages range from 80 to 110 years; sizes from 2 - 6" d.b.h. with 1,000 - 5,000+ stems per acre, to 6 - 10" d.b.h. stands with 300 - 600 stems per acre. Most of the stands originated from fires at the turn of the century. They are heavily infected with dwarf mistletoe, atropellis canker and western gall rust. In some areas, stands are breaking up through natural means (snow, wind, maturity, etc.). White fir, grand fir, Douglas-fir, and western larch are commonly found within lodgepole stands where the canopy is beginning to deteriorate.

Mountain Pine Beetle outbreaks can be predicted in lodgepole pine stands as described above. This insect is a natural part of the ecosystem and lodgepole pine stands life cycle. For this reason, natural control methods are not effective during outbreak conditions.

No practical effective large-scale chemical controls are available at the present time. Chemical control may save individual high value trees in areas such as campgrounds. The only feasible large scale control is harvest of susceptible lodgepole pine timber stands and intensive management of the new stands.

To this point in time the lodgepole pine stands on Wallowa-Whitman and Umatilla National Forests have been recognized primarily as areas whose principal values have been for wildlife cover, temperature control of feeder streams to major river systems (Grande Ronde, John Day), scenery and dispersed public recreation activity. Harvesting in the past has been mostly on a selective basis for sawlogs, poles and posts.

Volume from the timber product standpoint was discounted in current active timber management plans in which lodgepole pine stands were not calculated as part of the regulated annual harvest.

In the 1972 draft plan (for Wallowa-Whitman), lodgepole pine was included as part of the regulated harvest - but as a separate item - which could be utilized but not substituted for - and discounted heavily from potential due to marginal merchantability. Because of the projected losses due to the mountain pine beetle, an "even flow" approach to yield would result in intolerable losses and was not used.

Today's basic market situation is the same. The only difference is that the mountain pine beetle outbreak has continued for three additional years and killed considerably more lodgepole pine.

Industry is currently testing utilization of this wood fiber by chipping on the La Grande District of the Wallowa-Whitman National Forest. Trees are chipped in the woods and hauled by truck to the mill.

To accomplish the proposed harvest program, additional utilization facilities would be needed in Northeast Oregon or the fiber transported to existing facilities locally and elsewhere. Appraisal points for timber sales in this are are Pilot Rock, La Grande, and Baker, Oregon. All of these communities are dependent or partially dependent on log manufacturing as an economic base.

Employment in these areas is consistently below the State average. The following data from the 1970 U.S. Census, General Social and Economic Characteristics for Oregon, applies to this area:

County	Median Family Income	% Families Less than Poverty Level	% Unemployed
Umatilla	8,639	10.4	7.1
Union	8,730	7.4	9.7
Baker	7,557	14.1	9.6
Grant	7,876	10.1	12.3
(Oregon State Average)	(9,489)	(8.6)	(7.0)

A long-term (21-year) harvest program would contribute significantly to the economy of this area. The immediate and largest impact would be jobs created for road construction, logging, and transportation and primary manufacture of the fiber.

The three-phase 21-year harvest program will meet the management objectives of:

1. Cleaning up the mess and abating the hazard.
2. Mitigating the soil, water and wildlife implications.

3. Analyzing areas and site potentials and prescribing the end product for each area.

4. Regenerating timber stands (or type conversions).

5. Utilizing the wood fiber to accomplish 1, 2 and 4 above.

The favorable environmental effects of this harvest program are:

1. The basic favorable effect of the sale is the substantial economic and social benefits from jobs created during road construction, logging, and later manufacturing and marketing of the timber products through development of chip utilization facilities in the area.

2. The timber resource will be managed for the first time with future yields being increased and losses decreased.

3. Logging and subsequent clean-up will provide more visual variety. The large expanses of dead trees currently offer little esthetically, but the combination of brush, grass, tree reproduction, and scattered live and dead trees following logging should provide a more interesting landscape.

4. Increased forage production and improved accessibility to the forage will result from logging and subsequent clean-up. This will be very beneficial to wildlife and domestic livestock industry. Water developments used to water roads during salvage logging and subsequent activities will be beneficial to wildlife and domestic livestock.

5. Salvage logging will reduce the tons of flammable fuels and provide for easier, more efficient control of any fires that should start on the area.

6. There should be sharp increase of vegetarian wildlife and their predator species as a result of the salvage logging.

7. Improvement of existing road surfaces and drainage will benefit all resources. Improved road access will benefit administrative traffic, range permittees, hunters, campers, and other recreationists.

The adverse environmental effects of this harvest program are:

1. There will be soil losses resulting from ground cover disturbance and high intensity precipitation. Protective precautions will be made to decrease most of this loss to a minimum. Buffer strips will help to control siltation and should eliminate any additional thermal pollution.

2. Wildlife will suffer increased human harassment because of the road development and loss of cover. Road construction will be limited to the amount needed to efficiently log the area. Lost cover will be replaced in 10 to 15 years. The loss of habitat to dense forest dwellers, such as goshawks, will be more rapid with logging than would otherwise occur, but recovery will also be more rapid. Snags, whips and chunks will be left for wildlife use.

3. Users of some hunting camps will have to relocate because of changed access patterns, beetle killing of screen trees, and salvage logging. This impact is expected to be minimal due to logging.

4. There will be an unavoidable increase in noise and dust pollution during logging operations.

5. A minor amount of slash disposal by burning will create some smoke pollution. This will be negligible as only occasional piles at landings will be burned. Regional smoke management policies will apply.

6. Salvage operations will increase the short term fire risk for an operations-caused fire.

7. Logging activity in the foreground along I80N and State Highway 244 will be visible for several years.

8. There may have to be regulation of traffic to provide for public safety. This may slightly impede both the logging and recreational use.

E. Analysis of No Action

The mountain pine beetle outbreak will run its course in 5 - 7 years. Most of the lodgepole pine 6" in diameter and larger will be dead within 5 years. New seedlings will appear within 5 years after the stands open up. Most of the trees less than 6" in diameter will not be beetle killed, but will release and grow faster. These trees will provide the source of inoculum for dwarf mistletoe, atropellis canker, and western gall rust infection of the new seedlings. The dead trees will fall over a period of 5 - 15 years, damaging the new seedlings as they fall. In approximately 15 to 20 years, these timber stands will be in an unmanagable condition with a new stand of diseased samplings growing up through jack-strawed dead and down material.

From the fire standpoint, this hazard will persist in these areas until the dead material (fuel) is removed, treated, or consumed by decay or wildfire. Three stages of fuel progression are predicted beginning with the newly killed stand which provides a dead or standing slash configuration ideally arranged to carry fire into the crowns and spread as a crown fire.

A second stage in the fuel chain is anticipated as a snag forest where fires spread rapidly because fire brands originating from snags carry far ahead of the ground fire flame front. Spot fires may develop a mile ahead of the main fire. The snag forest complex will persist until the dead forest topples over a period of 5 to 20 years or longer. The long-term impact of the collapse of standing snag forests will be the increase of tonnage of available fuel on the forest floor. Flammability of this fuel will increase with age or until a new forest canopy closes with increased shade and impediment to wind. Control efforts will continue to be more difficult due to material on-the-ground and increased fire intensity for the foreseeable future or until fuel loadings are eliminated by wildlife.

Fuel treatment on the area will cost an additional $46,000,000 to reduce the hazard to Regional standards over a 5-10 year period. This cost is in addition to fuel treatment costs included in Table I.

The overall effects of no action (no harvest program) is that the favorable impacts listed in D. above would be lost and the adverse listed in D. above would not occur.

An insignificant amount of the outbreak area would be treated through the normal timber sales program on the two Forests.

UMATILLA AND WALLOWA-WHITMAN FORESTS
MOUNTAIN PINE BEETLE-LODGEPOLE PINE HARVEST PROGRAM
2-18-75

$ = M dollars
Vol. = MM bd. ft.

A. Table 1 - Appropriation & Projects

	FY 1976		FY 1977		FY 1978		FY 1979		FY 1980		FY 81-85		FY 86-90		TOTAL	
1. Forest Land Management	Vol.	$	Vol.	$	Vol.	$	Vol.	$	Vol.	$	Vol.	$	Vol.	$	Vol.	$
Sale Prep.($5.30/M)	55	291.5	82	434.6	86	455.8	76	402.8	101	535.3	400	2120.0	600	3180.0	1000	5300.0
Sales Admin. ($3.50/M)	5	17.5	21	73.5	67	234.5	82	287.0	77	269.5	252	882.0	748	2618.0	1000	3500.0
Reforestation (Acres, $80/A)		-	900	72.0	3700	296.0	11900	952.0	14600	1168.0	31100	2488.0	103600	8288.0	134700	10776.0
Range (051,053 fence-miles)	5	25.0	5	26.0	5	26.0	5	26.0	5	26.0	25	129.0		55.5		184.5
Wildlife (080)		20.0		22.0		21.0		22.0		22.0		108.0		200.0		308.0
Soil, Water & Air (091)		30.0		25.0		21.0		25.0		25.0		130.0		100.0		230.0
Fire Protection		202.4		202.4		202.4		202.4		202.4		1012.0		2160.0		3172.0
Fuel Treatment (fuel break-miles)	110	715.0	110	715.0	110	715.0	110	715.0	110	715.0	550	3575.0		4550.0		8125.0
Subtotal FLM		1301.4		1570.5		1976.7		2632.2		2963.2		10444.0		21151.5		31595.5
2. Forest Roads & Trails																
Supplementation (miles)	521	6576.0	550	8654.0		-		-		-	1071	15230.0		-	1071	15230.0
Engineering (preconstruct, construct)		5666.0	363	3348.0		2278.0		654.0		330.0		12274.0		-		12274.0
Preroading (miles)	582	16806.0		16588.0	773	27460.0		-		-	1918	60854.0		-	1918	60854.0
Subtotal FR&T	1103	29048.0	1113	28588.0	773	29738.0		654.0		330.0	2989	88358.0			2989	88358.0
3. Expenditure Authorization (Funds collected from timber purchaser)																
CWFS-KV($80/A)	-		300	24.0	900	72.0	3000	240.0	3600	288.0	7800	624.0	26300	2104.0	34100	2728.0
CWFS - OTHER (1% sale areas, $20/A)	-		40	0.8	160	3.2	500	10.0	610	12.2	1310	26.2	6130	122.6	7440	148.8
Total CWFS			340	24.8	1060	75.2	3500	250.0	4210	300.2	9110	650.2	32430	2226.6	41540	2876.8
BD (1% sale areas, $20/A)	-		40	0.8	160	3.2	500	10.0	610	12.2	1310	26.2	6130	122.6	7440	148.8
Subtotal Expend. Author.			380	25.6	1220	78.4	4000	260.0	4820	312.4	10420	676.4	38560	2349.2	48980	3025.6
GRAND TOTAL		30349.4		30184.1		31793.1		3546.7		3605.6		99478.4		23500.7		122979.1
4. FYT Ceiling Needs - Timber		5		12	→											
Engineering		20	→													

APPENDIX

MOUNTAIN PINE BEETLE

STATUS REPORT

Reviewed by _____
Umatilla National Forest

Reviewed by _____
Wallowa-Whitman National Forest

September 3, 1974

S. W. Carter, Jr.

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I. Development History

U.S. Forest Service
R-6

by

Robert E. Dolph
Supervisory Entomologist

A. DEVELOPMENT HISTORY OF THE MOUNTAIN PINE BEETLE INFESTATION ON THE WALLOWA-WHITMAN AND UMATILLA NATIONAL FORESTS

The mountain pine beetle *Dendroctonus ponderosae* Hopkins is a periodic forest pest in most lodgepole pine stands. Extensive areas of lodgepole pine have been infested and the beetle probably has been active in the ecosystem as long as there have been lodgepole pine trees.

The mountain pine beetle is currently causing serious timber losses in lodgepole pine stands on the Umatilla and Wallowa-Whitman National Forests. The present outbreak started in 1963 in the vicinity of Johnson Rock Lookout (T. 5 S., R. 35 E., Sec. 9, 10, 15, and 16) and covered about 2,400 acres at the end of that year. The outbreak has since expanded south to Granite, Oregon, covering the entire Grande Ronde River drainage and the headwaters of the North Fork of the John Day River. The outbreak has also moved westward as far as Ukiah, Oregon, encompassing the Camas Creek, North and South Pine Creek, Pearson Creek drainages.

Mountain pine beetle outbreaks in the Pacific Northwest are detected from the air during annual aerial survey. The number of "red-top" trees per acre or the total number of "red-top" trees within each group is made and recorded.

An estimated volume loss is then made. These estimates are based upon an average size tree infected in the outbreak area.

Annual aerial detection surveys since 1972 show the outbreak is continually expanding and a large amount of volume killed in the outbreak area (see Table 1).

The expansion of the outbreak since 1972 is shown on maps in the appendix.

Table 1.--Mountain Pine Beetle Activity on the Wallowa-Whitman and Umatilla National Forests - 1972, 1973, and 1974.

Forest	1972		1973		1974		TOTAL	
	Area 1/ Acres	Volume 2/ MBF	Area 1/ Acres	Volume 2/ MBF	Area 1/ Acres	Volume 2/ MBF	Area 1/ Acres	Volume 2/ MBF
Wallowa-Whitman	67,050	15,634.2	80,650	14,834.2	109,010	16,900	256,710	47,588.4
Umatilla	12,760	1,987.2	45,680	6,532.7	206,210	59,900	264,650	68,419.9
TOTAL	79,810	17,341.4	126,330	21,366.9	315,220	76,800	521,360	116,008.3

1/ Based on an average of 1/4 or more "red-top" trees per acre; 160 infested trees or more per section.

2/ Based on an average infested tree 10 in. dbh and 80 bd. ft./tree.

Mountain pine beetle outbreaks develop in mature lodgepole pine stands after the trees reach 80 to 100 years of age. The average lodgepole pine stand in the outbreak area is about 100 years old. These stands became established after the original stand was destroyed by fire in the 1860's.

This bark beetle prefers the larger diameter trees. These large trees provide the amount of food supply and living space necessary for brood development and population growth. Previous studies in R-4 and R-6 show 10 to 45 percent of the lodgepole pine trees 5 inches in diameter and larger are killed in affected areas before the outbreak collapses.1/ Trees smaller than 4 inches in diameter are a deterrent to the beetle population and most trees under this size survive.

During the fall of 1971 a biological evaluation was made at 5 locations in the Grande Ronde River drainage where the mountain pine beetle had been active 2 to 3 years. A variable plot cruise with a 10 BAF prism was used to determine the total number of trees, basal area, and volume for all species. The total number of lodgepole pine, basal area, and volume that existed before the beetles occurred was separated out of the total. The lodgepole pine was classified as either green or dead (reflects all LPP infested on plots between 1969 and 1971). The data was collected by 2 inch diameter classes to determine the number of trees 8 inches and larger being killed.

The summary of the evaluation is shown in Table 2.

1/ Roe, A.L. and G.D. Amman, 1970. The mountain pine beetle in lodgepole pine forests. USDA Forest Service, Intermountain Forest and Range Experiment Station. Res. Paper INT-71.

B. Predictions for 1975 and 1976

The infestation is expected to expand and intensify within the general outbreak area during the next two years at about the same rate as it has during 1972 through 1974.

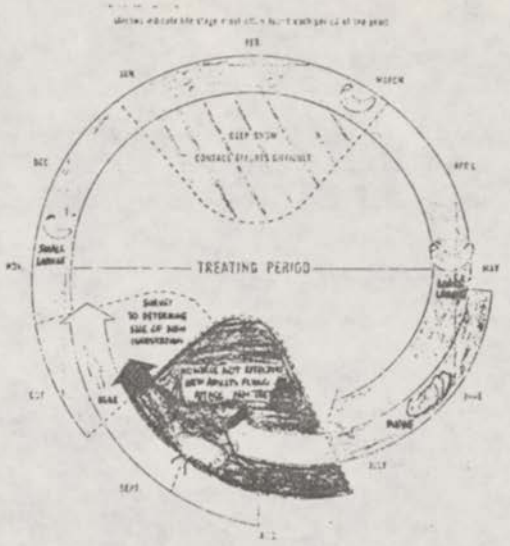
Predictions are, the infestation will continue to occur until eventually all of the lodgepole pine stands are infected and most of the trees 8 inches in diameter and larger are killed. It is also anticipated the outbreak will spread thorughout the North Fork of the John Day River drainage to Dale, Oregon, before the infestation collapses.

Table 2--Summary of Biological Evaluation on Mountain Pine Beetle Activity in the Grande Ronde Drainage - 1971[1/2/].

Area	Pre-outbreak Status						Outbreak Status						Percent of LPP Killed 8" dbh +
	All Species			LPP			LPP Survivals			Dead LPP			
	Trees	BA	Vol[3/]	Trees	BA	Vol[3/]	Trees	BA	Vol[3/]	Trees	BA	Vol[3/]	
	- - -Per Acre- - -			- -Per Acre- - -			- -Per Acre- -			- -Per Acre- -			
Chicken Creek (T 6 S, R 35.5 E, Sec. 3)	1,584	138	3,868	1,387	112	2,380	1,147	52	315	240	60	2,265	60
Clear Creek (T 6 S, R 36 E, Sec. 16-17)	423	102	7,050	343	81	4,750	293	61	3,213	50	20	1,537	59
Meadow Brook Creek (T 6 S, R 36 E, Sec. 5-6)	481	117	4,995	372	80	4,096	266	40	1,630	106	40	2,403	76
Sheep Creek (T 6 S, R 35.5E, Sec. 5)	1,516	129	2,743	1,018	109	2,743	992	96	1,816	26	13	927	92
North Vey Meadow (T 5 S, R 36 E, Sec. 25)	483	115	6,230	365	90	4,459	289	59	2,446	76	31	2,013	65

1/ Data based on a variable plot cruise using a 10 BAF prism.
2/ Outbreak is still in progress in sample areas in 1974 and losses are presummed to be much higher than in 1971.
3/ Volume estimates are for lodgepole pine 8 inches dbh and larger.

D. The life cycle and control chart for the mountain pine beetle is as follows:



Control of the mountain pine beetle is accomplished during the period when the broods are in the larval and pupal stage of their life cycle. This is generally from mid-September to July 1, as illustrated by the green color. Since this period extends over the winter months, control efforts may be curtailed by deep snow between January and March. This is shown by the green and white diagonal lines on the chart.

The red, shaded portion on the chart, between July 1 and late August, shows when control is not recommended. The new adults are flying and attacking new trees during this period. Any control effort done during this period would require recovering the same area at a later date for complete control of the beetle.

II. Resource Data

A. Timber Management

The outbreak map shows general areas of lodgepole pine infested and non-infested with mountain pine beetle at the present time. An aerial detection survey by R-6 personnel in 1974 showed a total infested area of 315,220 acres (109,010 acres on Umatilla and 206,210 acres on Wallowa-Whitman). A series of 10 BAF prism points show that approximately 70% of the lodgepole pine is dead and green infested in this area at the present time.

Inventory statistics for the Umatilla and Wallowa-Whitman Forests indicate the following average lodgepole volumes per acre for this area:

Forest	Cubic Feet/Acre	Board Ft./Acre
Umatilla	1.88 M	3.0 M
Wallowa-Whitman	1.78 M	3.1 M

A summary of lodgepole pine volumes for the infested areas is as follows:

	MM Cubic Feet (All Sizes)			MM Board Feet (9"+ DBH)		
Forest	Green	Dead & Green Infested	Total	Green	Dead & Green Infested	Total
Umatilla	62	143	205	98	229	327
Wallowa-Whitman	110	257	367	192	447	639
	172	400	572	290	676	966

There is an additional 65,000 acres of lodgepole pine type on non-infested on the Umatilla Forest for a volume of 122 MM cubic feet or 195 MM board feet.

There is also approximately 620,000 acres of lodgepole pine within other forest types estimated at 300 board feet per acre for a total volume of 186 MM board feet. Using a conversion factor of 4.3 board feet per cubic foot*, this is equivalent to 43 MM cubic feet. In addition, there is an estimated 44 MM cubic feet of small (5 - 9" DBH) material.

Summary of lodgepole Volume in area:

		MM Cubic Feet (All Sizes)			MM Board Ft. (9"+DBH)		
			Dead & Green			Dead & Green	
Areas	Acres	Green	Infested	Total	Green	Infested	Total
Infestation Area	315,220	172	400	572	290	676	966
Additional Umatilla	65,000	122	-	122	195	-	195
Within Other Types	620,000	87	-	87	186	-	186
Totals	1,000,220	381	400	781	671	676	1,347

The figures indicate that approximately 54% of the available lodgepole pine pulp volume and approximately 50% of the available sawlog volume are dead to date.

*Conversion factor 4.3 bd.ft. per cu.ft. for 11" DBH lodgepole pine from Deschutes N.F. date (Jim Simonson).

Ponderosa pine is also being attacked by mountain pine beetle in some area. Scattered individual trees, groups of trees, and an occasional hillside are being attacked. Most of the current mortality is occurring on the La Grande Ranger District. Estimates of probable mortality during the next five years are:

Forest	Est. 30% of PP Within LP Type	Est. 1% of PP Within Other Types	MMBF Total
Umatilla	18	16	34
Wallowa-Whitman	21	20	41
	39	36	75

A summary of dead and green ponderosa pine is as follows:

Forest	(MMBF) Green	Dead	Total
Forest	30	4	34
Wallowa-Whitman	26	15	41
	56	19	75

The figures indicate 25% of the probable ponderosa pine mortality has occurred.

Past Activities

Precommercial thinning has been done on limited acreage within the past 5 years. A summary by District follows. No mountain pine beetle activity has been observed in these areas to date.

District	Acres Thinned	Age
La Grande	30	25 - 30
Ukiah	1,057	50 - 80
Dale	860	60 - 80
Total	1,947 Acres	

The Districts have been concentrating their lodgepole pine sales in accessible stands of 4+ MBF/Acre.

It has been sold as sawlogs in pure sales and with other species in sales during the past five years. The following is a table of acreage and volume of past and existing sales with lodgepole by District (see Map):

District	Past Sales		Existing Sales	
	Acres	MMBF	Acres	MMBF
Dale	4,900	14.1	21,700	8.2
Ukiah	9,800	26.5	12,100	19.2
Baker	700	10.0	13,700	26.1
La Grande	4,200	4.9	4,400	22.5
Total Acres	19,600	55.5	51,900	76.0

B. Fire

UMATILLA - WALLOWA-WHITMAN

MOUNTAIN PINE BEETLE EMERGENCY PLAN

FIRE PROTECTION

FUEL MANAGEMENT

By E. Haven Stanaway - Umatilla
Leroy B. Merrick - Wallowa-Whitman

INTRODUCTION

The Wallowa-Whitman and Umatilla National Forests have suffered extensive damage and tree mortality in the lodgepole stands of the southern Blue Mountains of northeastern Oregon. Aerial mapping was completed in July of 1974, with three levels of kill delineated including 80% to 100% kill, 50% to 80% and 30 trees per acre. Gross acreage containing 30 trees per acre or worse fuel condition will be included in the Emergency Fire Protection and Fuel Treatment Planning. Acreages included in the Plan are:

Umatilla National Forest ----------170,800 Acres

Wallowa-Whitman National Forest----257,400 Acres

The areas of Mountain Pine Beetle epidemic of both forests are contiguous and will be planned as a unit with shared protection resources and coordinated fuel break systems.

SITUATION STATEMENT

The Mountain Pine Beetle epidemic has had major impact on fuel model, fuel type and tonnage of available fuel. Prior to the beetle kill most of the area was in fuel model "G" with moderate rate of spread and moderate resistance to control. Tonnages of available fuel were relatively light -

consisting of scattered dead windfall material. Most stands contain quantities of draped Spanish Moss.

The beetle kill has resulted in a transition of fuel model from "G" to "B" and fuel type from IM to EH. Available fuel generally includes all the crown material, both red and green. Essentially, all the needles are intact on the trees killed in 1972-1973 and 1974. The draped Spanish Moss provides an extremely fine fuel bed for long distance spotting. Areas of 50% to total kill are predicted to support crown fires without support from ground fire under high and extreme conditions. Average wind speeds and fine fuel moisture for BI action class III "high", are wind 10 MPH - FFM 4% (from "Firdat" research conducted for National Fire Planning). Fire growth potential has increased from approximately 4 acres per hour to 50 acres per hour (from National Fire Growth tables).

"Fuel continuity" is characterized by large blocks ranging from 1,000 acres to a township of continuous fuel occasionally broken by a wet stringer meadow.

Topographic features common to the area include a variety of landform including high plateaus, buttes, wide U-shaped valleys and represent all aspects. Major topographic breaks representing strategic locations for wildfire control are limited.

FIRE POTENTIAL

The Mountain Pine Beetle epidemic in the Umatilla and Wallowa-Whitman National Forests has resulted in the transition of approximately 428,200 acres of forest from a moderate fuel complex to an extreme fuel complex. Tree mortality in infested areas has resulted in a drastic increase

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in dead available fuel loading and fire hazard. Extensive areas of standing dead with needles intact are ideally arranged for rapid combustion, high energy release with strong convection column and long distance spotting.

Rates of spread and resistance to control factors are estimated to have increased from 10 to 14 times as a result of increased crown fire potential and increased loading of available (dead) fuels. The fire hazard will persist in these areas until the fuel is removed, treated, or consumed by decay or wildfire. Three stages of fuel progression are predicted beginning with the newly killed stand which provides a dead or standing slash configuration ideally arranged to carry fire into the crowns and spread as a crown fire.

A second stage in the fuel chain is anticipated as a snag forest where fires spread rapidly because fire brands originating from snags carry far ahead of the ground fire flame front. Spot fires may develop a mile ahead of the main fire. The snag forest complex will persist until the dead forest topples over a period of 5 to 20 years or longer. The long-term impact of the collapse of standing snag forests will be the increase of tonnage of available fuel on the forest floor. Flammability of this fuel will increase with age or until a new forest canopy closes with increased shade and impediment to wind. Control efforts will continue to be more difficult due to material on-the-ground and increased fire intensity for the foreseeable future or until fuel loadings are eliminated by wildfire.

Risk of lightning fires starting in snag concentrations is predicted to increase by virtue of chance that a high percentage of the conductors

are composed of dead material and available for ignition.

A recently completed new oiled forest highway through the center of the effected area along with the intensive salvage logging that will be in progress and the increased mining activity that is occurring as the result of current gold prices is expected to increase the man-caused risk greatly over the next few years.

UMATILLA NATIONAL FOREST

Occurrence data from the 1972 National Fire Planning indicates that the effected area contains 5 lightning occurrence zones where an average of 2.0 fires occurred per thousand acres during the base period of 1960 to 1969. The remaining area received 0.45 fires per thousand acres. The fires occurring during the pre-beetle period in fuel model "G" were held to class A and B size with one fire reaching class (C) during the 10 year period. Average annual fire occurrence for the Umatilla Forest Project area is 18.7, Ukiah Ranger District 12.4, and the Dale Ranger District, 6.3.

WALLOWA-WHITMAN NATIONAL FOREST

Occurrence data from National Fire Planning indicates that the effected area contains 1 lightning zone where an average of 1.57 fires occurred per thousand acres during the period 1960 to 1969. The remaining area experienced .57 fires per thousand acres. Distribution of fires by size class is Class A, and B, 99%, and Class C and larger, 1%. LaGrande Ranger District 8.7 fires, and the Baker Ranger District 11.5 annual average fires. Average annual occurrence for the Wallowa-Whitman portion of the project is 20.2. The annual average for the combined Project

Area is 38.9 fires.

All resource management activity or rehabilitation of this area is dependent upon successful protection from catastrophic wildfire until the area is returned to normal fuel loading conditions.

ACTION PLAN

1. Supplement current aerial initial attack forces with a 30 man reinforcement or backup crew to facilitate early release of aerial fireman or to provide initial attack during night time hours.
2. Increase Aerial retardant capability by addition of one 3000 gallon air tanker and lead pilot at Pendleton airport. The B26 1000 gallon tanker at La Grande will be replaced with a 3000 gallon tanker. Airport facility improvements at La Grande consisting of lengthening and resurfacing runways to handle 3000 gallon class tankers are required for continued operations.
3. Increase effectiveness of air tankers and other aerial resources by providing a qualified air attack boss with fire behavior skills to LaGrande AC. The AAB should be on alert with standby air craft.
4. Design and construct a system of fuel breaks along strategically located ridges or lateral ridges to break up the continuity of the large blocks of fuel.
   Width of fuel free strips should be 3 to 5 chains in width depending on topography and direction of prevailing winds. The fuel breaks should be wide enough to bring a crown fire to ground on a very high or extreme burning index day.
   The fuel break system should be designed and mapped with expediency to provide input to salvage logging plans. Where sale areas and fuel break locations coincide the breaks should be completed as part of the salvage sale hazard reduction program.

COST BENEFIT ANALYSIS

COSTS

1. 30-man, organized crews 7/1-9/30

   10-men Summit (Umatilla)
   10-men Boundary (Wallowa-Whitman)
   10-men Starkey (Wallowa-Whitman)

   Annual Cost $ 105,000

   6-men, Helitack Rappelling Crew 7/1-9/30

   La Grande Fire Control Center

   Annual Cost $ 30,000

   92 days annual manning - includes: tools messing, transportation, training and overhead for five years

   Annual Costs $ 135,000
   Total Program Cost $ 675,000

2. Design and construct 235 miles of fuel break 3 to 5 chains in width. Estimated to cost $6,500 per mile and require 5 years to complete. Cost estimate includes planning and coordination with Range, Wildlife and Watershed.

   Annual Costs $ 305,500
   Total Program Cost $1,527,500

3. Increase air tanker strength in the northeast Oregon, Tri-Forest area by addition of one 3,000 gallon tanker at Pendleton and substitution of a 3,000 gallon tanker for the present small tanker at La Grande. Two DC-6 class tankers for five years.

   Annual Cost $ 32,000
   Total Program Cost $ 160,000

4. Air Attack Boss with light fixed wing aircraft to assure proper tactical use of air tankers and other aerial resources (smokejumpers, rapellers, and helicopters), to provide safe air traffic management and fire behavior expertise to aerial initial attack. (7/10-9/30, for five years)

   Annual Cost $ 14,500
   Total Program Cost $ 72,500

5. Lead plane with pilot to be based at Pendleton. (7/1 to 9/30 for five years).

Annual Cost	$ 6,400
Total Program Cost	$ 32,000

6. Two pair helicopters night vision goggles.

Total Program Cost	$ 28,000

7. 4-Prevention Fireman, one each Ranger District (La Grande, Baker, Ukiah and Dale) with 1/2 ton pick-up. (7/1 to 9/30 for five years).

Annual Cost	$ 14,500
Total Program Cost	$ 72,500

8. 3-nurse tankers, 5,000 gallon

Total Program Cost	$ 10,500

9. Share in cost of lengthening and re-surfacing La Grande Airport runway. (Cost added to total cost Fire protection). $ 100,000

SUMMARY:

Annual cost fire protection	$ 202,400
Annual cost fuelbreak construction	$ 305,500
Total project cost fire protection	$1,150,500
Total project cost fuelbreak construction	$1,527,500
Grand Total	$2,678,000

Benefits:

The area to benefit from this program is approximately 428,200 acres.

During the period 1960 through 1969 (from National Fire Planning), 386 fires occurred. These fires were all contained at Class "A" and "B", except for two class "C" fires which burned a combined total of 64 acres.

It is logical to predict annual occurrence of 39 fires 10% of which statistically should occur on very high and extreme fire danger days with a high risk to escape initial attack. The potential exists for (3.9) fires to escape initial attack each year if protection and initial attack capability is not increased or the shaded fuel break system constructed.

Fires in fuel Model "B" or red slash are estimated to have an extreme rate of spread and may reach 1509 acres in 4 hours. (From National Fire Growth Tables.)

Average suppression costs and potential resource damages are as follows: (From National Fire Planning and R-6 Values.)

Class "E" Fires

$550 suppression cost x 1509 acres	-	$ 829,950
1509 acres x $1500 potential resource damages	-	$ 2,263,500
1509 acres x $8 restoration costs	-	12,072
		$ 3,105,552

Potential Annual Losses

3.9 fires x 3,105,522	-	$12,111,535

Cost Benefit

Potential Annual Loss	-	$12,111,535
Estimated Annual Project Cost	-	$ 515,600
Estimated First Year Cost		$ 615,600

The estimated benefit from the proposed action is approximately $20 to each $1 expended.

Enclosures:

1.	Project Map	Combined (W-W - Umatilla)
2.	Resource Value Map	W-W - Umatilla
3.	Fire Occurrence Overlay	W-W - Umatilla
4.	Shaded Fuelbreak Map	W-W - Umatilla

MOUNTAIN PINE BEETLE

INTERIM PLAN - 1974

To provide protection to the Mountain Pine Beetle area during the period in which the fuel breaks are being constructed or salvage logging occurs, emergency protection will be accelerated. Aerial initial attack resources planned are designed to provide rapid initial attack. Air tankers are considered to be the single most important tool available to bring a crown fire to ground where it can be contained.

The following "overload" plan will be initiated to provide protection for the remainder of the 1974 fire season:

1. Establish 10 man ground crews with transportation.
   Boundary Guard Station
   Pearson W.C.
   Frazier
2. Increase air tanker force by adding a B17 or larger to Pendleton Airport.
3. Complete and implement an automatic air tanker dispatch plan for the two forest project area.
4. Provide an AAB at LaGrande to assure proper tactical use of air tankers and aerial fireman. (Both rappelers and smokejumpers.) The AAB should be expert in fire behavior strategy and tactics.
5. [illegible] plane pilot and aircraft at LaGrande to assure proper use and efficiency of air tankers in multiple aircraft operations.
6. Assign fire prevention technicians to Boundary Guard Station, Frazier and Pearson Guard Stations with ½ ton pickup.

MANNING AND SPECIFIC ACTION GUIDE (Plan)

USDA Forest Service Manning and Specific Action Guide (Plan)	ACTIVITY (Check One) ☐ Prevention ☐ Detection ☑ Attack	FOREST Wallowa-Whitman Umatilla	YEAR 1974
Legend: X Action Without Qualification V-1 Visibility 5-8 Miles V-2 Visibility Less Than 5 Miles R-1 Abnormal Man-Caused R-2 Predicted Lightning R-3 Suspected Sleepers		DISTRICT Mountain Pine Beetle Project "Emergency Overload Plan"	

Item Number	Position or Action	FIRE-DANGER RATING					
1.	Boundary 10 man crew	R-1-2-3	X	X	X	X	
	Pearson	R-1-2-3	X	X	X	X	
	Frazier	R-1-2-3	X	X	X	X	
2.	Pendleton Air tanker	R-1-2-3	X	X	X	X	
3.	AAB on duty at LaGrande or Pendleton	R-1-2-3	X	X	X	X	
4.	Lead Pilot with aircraft (When airtankers are on availability)	R-1-2-3	X	X	X	X	
5.	Fire Prevention Tech. - Boundary guard station	R-1-2-3	X	X	X	X	
	Pearson guard station	R-1-2-3	X	X	X	X	
	Frazier guard station	R-1-2-3	X	X	X	X	

Recommended 7/12/74 Date

Recommended 7/13/74 Date

Recommended _____ Date

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C. Wildlife and Fisheries

WILDLIFE INFORMATION

LODGEPOLE PINE BEETLE AREA

A. Existing Situation

1. Big Game Animals and Hunting

a. Based on animal numbers and recreation use, elk are the most important big game animal in the four district, two forest area.

b. Elk number and harvest have been increasing over the past 15 years as well as hunter numbers (See attachment A).

c. The most significant beetle epidemic covers portions of four Wildlife Management Units - Desolation, Baker, Ukiah, and Starkey.

d. Vehicle access for hunting varies from excessive to nonexistant.

e. Bear numbers appear to be increasing as a result of probably more harvest restrictions rather than the beetle epidemic.

2. Big Game Habitat

a. Forbs, shrubs and grass is increasing in beetle damaged stands. This is a result of a decrease in crown cover and overstory tree competition.

b. Big game cover is decreasing in beetle damaged areas.

c. Lodgepole pine begins to fall to the ground after 4-5 years resulting in a detrimental impact on animal movement and use of beetle damaged areas.

d. As a result of the pine beetle, lodgepole pine encroachment on wet and dry meadows is decreasing.

e. The primary beetle epidemic area is summer range for deer and elk and is presently understocked with these animals.

f. The Desolation Unit is the only portion of the epidemic area where winter elk range is a primary limiting factor. Small areas exist in the other management units where local winter range problems are significant.

3. Non-Game Wildlife - Little to no information is available on existing numbers and composition of other wildlife in the epidemic area. The attached list indicates those species that have been seen in the area or which would be expected to occur.

4. Fisheries - The beetle epidemic area contains some of the most productive steelhead and salmon spawning streams in the Columbia River system. (See stream classification map submitted with water report.) Maintenance of high quality water must be considered as a paramount criteria. At present, stream shade is decreasing which, in turn, will likely increase water temperatures.

   A planting program of fast growing, native, broad leaf trees has been conducted on several streams in the area to substitute for the shade lost from the dead lodgepole. This program should be increased.

   Additional detail on water quality will be found in the water section of this report.

B. Future Concerns if Little Is Done About the Epidemic or If Various Degrees of Timber Management Practices Are Initiated.

1. Big Game - Overall, long-lasting (10-30 years) impact on big game and its habitat has the potential for being very detrimental if intensive treatment of the beetle damaged lodgepole is done with little regard for big game needs. Of less impact would be the determination to allow the lodgepole to die without some form of fiber and/or regeneration treatment.

   In other words, no stand treatment or no action would be better for big game than intensive and wide scale harvest of fiber without significant consideration of big game needs. No stand treatment, however, would still result in a detrimental impact on elk due to loss of cover and restriction of animal movement.

   The most desirable situation would be one in which moderate and well planned levels of stand treatment is accomplished, taking into full consideration the wildlife needs for big game as well as other species. Permanent access would have to be carefully planned as well as size, shape and juxtaposition of harvest units and cover areas. Certain areas within the pine stands should be selected, treated and maintained as permanent grassland-forb openings to increase quality forage areas and to add diversity.

In summary, moderate stand treatment coupled with sound wildlife coordination presents an opportunity to improve and/or increase summer big game range resulting in more and/or better conditioned animals. It would also provide the opportunity to actually improve hunting conditions through restricting access in some areas and improving access in others.

2. Non-Game Wildlife - Little to nothing is known about the potential impacts of this action on most species of non-game wildlife. It is certain that some species will decrease in numbers and others will increase over the cycle that it takes to grow another stand of 60-80 year lodgepole pine or other species of trees. Still other species will adapt to the conditions throughout the cycle.

   Additional study and ground search is needed to determine those certain species which should be considered sensitive. The next step is to determine those activities of stand management which either increase or decrease this sensitivity. In this manner we will know which actions to take and which actions not to take to either mitigate, enhance or destroy the habitat for the species.

   It seems reasonable, at this time, that either doing nothing in the epidemic area or doing some level of stand treatment will have the following effects on certain general groups of wildlife:

   a. For about 10 years the habitat will increase for woodpecker and some cavity nesters.

   b. Habitat for green tree nesters and tree seed eating wildlife will decrease.

   c. Rodent numbers will probably increase.

   d. Accipiter hawk numbers will decrease in damaged stands and Buteos will tend to increase in number.

C. Wildlife Recommendations

1. A special task force be formed with the following qualifications to prepare guidelines for stand treatment in epidemic areas which will either decrease, improve or eliminate the impact of the epidemic or the stand treatment on wildlife. Modification or use of the existing tussock moth salvage guidelines should be explored by the task force. This task force should finalize their guidelines prior to the start of an EAR preparation for any stand treatment. A representative for the task force should be part of the team developing the EAR.

The task force should view similar outbreaks in the Rocky Mountain states and should consult the various people and literature which will aid in determining long term effects of the epidemic and/or stand treatment on various forms of wildlife.

People highly qualified in the following fields should be appointed to the task force:

a. Bird life
b. Big Game
c. Small mammals
d. Fisheries and aquatic environment
e. Ecology
f. Silviculture
g. Fuels Management
h. Oregon Wildlife Commission representative.

Prepared by:
Doug Barton - Wallowa-Whitman
Hugh Black - Umatilla
Ralph Denny - Oregon Wildlife Commission
Mike Kemp - Oregon Wildlife Commission
Gary Lane - Wallowa-Whitman

ELK DATA - LODGEPOLE PINE BEETLE EPIDEMIC AREA

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Elk Numbers - Aerial Trend per mile of route														
Baker	1.8	1.2	2.8	2.3	2.4	1.6	1.3	0.8	1.4	1.5	2.5	1.4	2.7	4.2
Desolation	5.2	6.4	3.9	6.6	6.8	5.9	4.4	4.7	5.1	4.8	5.7	4.1	6.9	5.0
Starkey	10.3	12.0	11.0	11.7	11.1	11.9	9.9	8.9	8.3	10.0	14.9	12.0	22.5	19.9
Ukiah	10.6	20.8	15.4	36.4	28.3	10.4	20.8	9.3	20.8	21.1	22.9	34.4	28.8	44.2
Elk Harvest - Total														
Baker	326	363	423	554	331	415	420	368	443	520	672	518	703	
Desolation	620	581	639	1018	559	503	348	344	503	570	546	368	684	
Starkey	1107	833	1072	1430	921	885	656	702	714	1181	849	678	1223	
Ukiah	769	586	594	1165	615	515	387	444	601	756	714	533	932	
Hunter Numbers Total														
Baker	1542	1858	1937	2286	2438	2850	2720	2930	2610	3040	3270	3790	4990	
Desolation		3138	2941	3045	3954	3394	3060	2875	2740	2900	3290	3240	4670	
Starkey		5896	5603	5783	6391	6600	5530	5320	5310	8503	6000	5890	7620	
Ukiah		3859	3529	3777	4466	3876	3190	3470	3720	4240	4800	4820	5850	

F. Lodgepole Pine - Essentially pure lodgepole pine stands.

AMPHIBIANS/REPTILES

1. Long-toed Salamander
2. Tiger Salamander
4. Tailed Frog
6. Western Toad
7. Pacific Tree Frog
13. Western Fence Lizard
~~28. Western Rattlesnake~~

BIRDS

39. Goshawk
40. Sharp-shinned Hawk
41. Cooper's Hawk
52. Pigeon Hawk
54. Blue Grouse
55. Franklin's Spruce Grouse
56. Ruffed Grouse
66. Turkey
97. Screech Owl
101. Pygmy Owl
103. Great Gray Owl
104. Long-eared Owl
106. Saw-whet Owl
120. Yellow-bellied Sapsucker
121. Williamson's Sapsucker
122. Hairy Woodpecker
125. Black-backed Three-toed Woodpecker
126. Northern Three-toed Woodpecker
135. Western Wood Peewee
136. Olive-sided Flycatcher
144. Gray Jay
147. Common Raven
151. Clark's Nutcracker
152. Mountain Chickadee
153. Chestnut-backed Chickadee
155. White-breasted Nuthatch
156. Red-breasted Nuthatch
159. Dipper
161. Winter Wren
168. Varied Thrush
169. Hermit Thrush
174. Townsend's Solitaire
175. Golden-Crowned Kinglet
206. Western Tanager
210. Cassin's Finch
212. Pine Grosbeak
216. Pine Siskin
218. Red Crossbill
227. Oregon Junco
233. Fox Sparrow

MAMMALS

2. Masked Shrew
6. Dusky Shrew
24. Man
26. Varying Hare
30. Red Squirrel
31. Douglas Squirrel
32. Yellowbelly Marmot
35. Belding Ground Squirrel
38. Golden-Mantled Ground Squirrel
39. Least Chipmunk
40. Yellow Pine Chipmunk
41. Northern Flying Squirrel
43. Northern Pocket Gopher
48. Deer Mouse
51. Bushytail Packrat
52. Boreal Red-backed Vole
53. Mountain Phenacomys
56. Water/Richardson Vole
64. Coyote
68. Black Bear
70. Shorttail Weasel
71. Longtail Weasel
73. Marten
74. Fisher
79. Mountain Lion
80. Lynx
81. Bobcat
83. Wapiti
~~84. Whitetail Deer~~
85. Mule Deer
~~88. Bighorn Sheep~~

D. RANGE

STATUS REPORT

MOUNTAIN PINE BEETLE INFESTATION

EFFECTS ON THE RANGE RESOURCE

The following report deals with the impact on the range resource by Mountain Pine Beetle infestation on National Forest land in northeastern Oregon. This report combines both the Wallowa-Whitman and the Umatilla National Forests.

1. Present situation: The Mountain Pine Beetle infestation is affecting 19 allotment areas; grazed by approximately 4200 head of sheep and 5500 head of cattle belonging to 43 permittees. The list of affected allotments is attached. Should the Mountain Pine Beetle extend beyond the current area of impact, a number of other allotments could substantially be effected.

   The degree of impact varies greatly by allotment, degree of infestation, type of plant community and percent of the overstory stand susceptable to the Mountain Pine Beetle. The defoliation has allowed general increase of herbage. In some cases, the livestock are using this increased herbage to advantage.

II. Potential situation without treatment: As described above, in the short term, forage will tend to increase in relationship to the percent of tree crown cover lost. Some of this increased forage can, and will be used by domestic livestock.

   In the long run, the situation will worsen. The dead trees are expected to fall in four or five years. This would, first, impede

sheep and then cattle movement severely. This would reduce forage availability, both of the short term increase and of the previous available forage, (such as that forage that was previously used in the lodgepole pine/pine grass plant communities.) Some allotments will be affected severely, while others in only a minor way.

The fire risk would present a higher potential hazard to the grazing animal. Of course, if a fire did occur, forage increase would potentially be very high.

III. Potential situation under intensive salvage: In the long run, timber sale salvage programs would benefit forage production and livestock use. The increased forage potential would vary by vegetative habitat type, amount of ground disturbance and percent of ground cover reduction. On most allotments, the grazing pattern can be coordinated to allow for non-use, to permit rehabilitation of salvaged areas. This, of course, depends upon the existing management, and number of pastures. In some cases, the impact of non-use for sale rehabilitation will be quite severe. For instance, the Sheep Ranch Allotment on the LaGrande District could have total non-use of the National Forest land, (which is intermingled with private land) for a period of three or more years. In these severe cases, protection fencing may be necessary.

The scheduling of salvage sales, and correlation with the range grazing programs, must be closely coordinated. In the case where private land is intermingled and all fences are not likely to be

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built by the time of a salvage program, short term non-use impacts will be high. However, the long-term effect will be increased forage of both permanent and transitory nature. This increased forage may or may not be available for domestic livestock. These transitory range opportunities that do not now exist would most likely be available for domestic livestock, since summer range for big game is generally not felt to be lacking in this area.

Main access roads will not particularly help livestock access. Secondary roads, temporary roads will improve livestock access in the area. The design of main roads will need to take into account big game and domestic livestock crossing.

IV. Coordination impacts, and benefits to for range management grazing are greatest in a salvage program. It is recommended that range input be involved in any environmental analysis reporting for such a program scheduled, recommendations will vary by allotment, by plant community type and degree of tree crown cover affected, amount of ground disturbance expected. Seeded ground vegetation may benefit other resources as well as range; such as reduction of over reproduction of lodgepole, nutrient recycling and soil retention.

Report prepared by Walter Johnson and Clarence Almen. Umatilla National Forest and Wallowa-Whitman National Forest.

ALLOTMENT	NUMBER OF ANIMALS	NUMBER OF PERMITTEES
DALE DISTRICT:		
Trout Meadows S&G	320	1
Indian Creek C&H	869	5
Central Desolation C&H	274	3
UKIAH DISTRICT:		
Bowman, Rancheria, Camas S&G	1,275	1
Lucky Strike C&H	493	6
Hidaway C&H	432	3
Texas Bar C&H	533	5
Pedro On & Off	10	1
WALLOWA-WHITMAN:		
Sheep Ranch C&H	500	1
Dark Canyon & Ensign C&H	200	1
Five-Point C&H	400	3
Starkey C&H	825 (approximately)	5
Tin Trough C&H	80	1
White Horse C&H	200	1
Bourne C&H	320	1
Camp Creek C&H	377	3
McCarty S&G	1,000	1
Spring Creek S&G	1,600	1

E. VISUAL

VMS - MOUNTAIN PINE BEETLE

Lodgepole Salvage Aids

Most of the lodgepole stands are found in landscapes where pattern and form are not as strong as in the Tussock Moth areas - a continuous vegetative cover is more prevelant. Therefore, the visual effect of salvage will be more noticeable. Some general statements follow:

1. Follow bug kill lines and avoid creating sharp-edged rectangles or other geometric patterns (clearcuts). Cutting units located along ridge tops should be located to either side, but not to the ridge-line itself, to reduce the line effect of the remaining tree boles.

2. Loosen up edges by small group removal, even if it means cutting some green timber. Also, when private land is adjacent and it is known that the owner will also salvage, salvage along the common boundary in an irregular fashion to eliminate the straight line. If possible, work with landowner to design the clearcut area if a combination of the two salvage projects may create an opening too large in scale.

3. Leave larch, ponderosa pine and other green groupings wherever possible to break up the form of large clearcuts. (Hoodoo way sale, LaGrande District, Wallowa-Whitman.)

4. A "dead screen" may be useful in slowing down or stopping the eye as it travels over or through large open spaces created by the salvage activities. It is understood that the dead trees will need to be managed in five to eight years, as they will then begin to fall down; however, their value as a screen would seem to warrant this action. It is also understood that windfall may be great if the screen does not have a large enough width (possibly a chain or 1½ chains) to prevent it. The "dead screen" may have use in the following situations:

   a. In a foreground area; especially along a Level I travel route. (Four-Corners Sale - Ukiah District U.)

   b. Along the edge of a meadow that is seem as foreground or middle-ground; especially where a large meadow will be made much larger and cause scale problems. (Trout Meadows Lodgepole Sale, Dale District, U.)

   c. In some cases, it may also be desirable to discontinue the "dead screen" and enlarge part of the natural meadow system, if scale is not a problem, thus creating variety from the "dead screen" effect. (Trout Meadows Lodgepole Sale, Dale District, U.)

d. The "dead screen" may be used in an area of natural regeneration to create a combination "live-dead screen." (Meadow Sale, Below old Forks T.S., Dale District, U.)

5. In foreground areas, especially after salvage of the merchantible material in a sale, the area should be reviewed and those green poles that are leaning or left singularly and not in groups should be removed to create a cleaner site. (Four-Corners Sale, Ukiah District, U.)

6. Utilize existing regeneration groupings as screens wherever possible; landings may be screened from a major travel route, even though most of the sale area is not. (Meadows Sale, Dale District, U.)

7. The location of roads in a salvage sale should be as well planned as in green sales, with thought given to such things as minimum clearing widths (decreasing line effect), especially when the sale roads will exit on a Level I travel route. Emphasize immediate seeding of temporary roads and possibly system roads, especially in light colored soil areas.

8. In foreground areas along a Level I road, it may be desireable to create small clearcuts (¼ to 2 acres) in green small pole patches to enhance the visual variety. These units could be part of a larger salvage sale which occurs nearby.

9. Tree length yarding in these salvage sales would be more beneficial to the Visual Resource than broadcast burning or tomahawking the remaining slash.

10. Use of "wind rowing" for slash in high kill areas (near 100% kill)

    A. Produces appearance of still active sale area waiting for suitable condition for burning slash.

    B. Reduces congestion for future operations and gives sense of order to an obvious management activity.

11. Reduce size of stand destruction (clearcuts) areas by use of dead screen to compartmentize large areas of near 100% kill.

    A. Be generous in evaluating marginal material (less than 1/3 green crown). This is your "best" material in near 100% kills stands. (It can still serve as "dead screen".)

    B. Use directional falling methods. Jack strawed timber is undesirable and creates clean-up and slash disposal problems as well as regeneration problems.

12. Generous public I & I of natural disaster is desirable as part of the project (and not as a substitute for good visual management practices:)

Mountain Pine Beetle infestation is in reality a "biological wildfire" and should be understood and treated with short-term prescription to return it to the original quality objective as soon as possible. Therefore, it may be necessary to accept management practices on a short-term basis that introduce temporarily in the natural landscape the following dominance factors:

A. Strong texture changes

(1) Heavily thinned shelterwoods necessary because of excessive kill.

(2) Mechanical thinning patterns caused by large acreage involved.

B. Strong color change

(1) Heavy earth disturbance necessary to remove large volume of material and create seed bed.

(2) Significant volume of material left to dead shade and screen as well as windrowed slash in middle ground.

C. Weak line

(1) Mechanical thinning lines if viewed at critical observer position (mostly from air and high observation site overlooking such areas as Tony Vey Meadow from Johnson Rock, Wallowa-Whitman).

(2) Windrowed material will read as strong line in foreground (temporarily) and weak line in middle ground.

D. Strong form

(1) Strong pattern of form created by heavy cut. Shelterwoods and mechanical thinned areas.

(2) Compartmentized stand destruction areas (small clearcuts in near 100% kill). Due to large volume of affected timber this may read a lot stronger than we would normally like, therefore, man-made order in the form of practices such as windrowing would be a benefit even though natural order is random or less apparent in nature.

13. Emphasize short term nature of REHABILITATION quality objective for natural disasters. After observing several project fire areas, it appears that the general reasoning is that the "worst has happened to this site, therefore, what we do visually to rehabilitate and bring the site back into production is of little concern." (Example - skid trails in 1960 Anthony Burn.) We need to guard against this attitude when dealing with these salvage operations.

Prepared by: Garry Loeffler - Umatilla (Items 1 thru 9)
Jerry Wilson - Wallowa-Whitman (Items 10 through 13)

F. SOIL AND WATER

MOUNTAIN PINE BEETLE

SOIL AND WATER IMPACTS

The Mountain Pine Beetle alone will have minor impact upon the soil and water resource. The major risk of serious long-term impacts will result from management activities such as road building, timber harvesting and fuel treatment. Serious concern for the soil resources center around the cold, sterile nature of the soils which compound the impact of soil cover destruction. The primary impact of management activities upon the water resource will likely be the risk of lowering water quality through thermal degradation and increased sedimentation. Much of the area of Pine Beetle activity contributes cold, high quality base flow to the major rivers in the area. Degradation of the headwater streams from these zones will have impacts that extend far downstream.

Bedrock of the area is generally of four types; basalt, andesite, pyroclastic and granitics. Highly fractured basalts and pyroclastic materials have high water holding capabilities and contribute mostly to base flow. Granitics and some andesties do not have these qualities, thus, contribute mostly to peak flows.

Pyroclastic, glacial outwash and recent landslide areas are most unstable and have the highest potential for failure especially when constructing roads. In conjunction with this, these same areas have the highest potential to incur soil compaction and producing clay sized sediment.

There are a few unique features which occur within the area of Pine Beetle infestation. There are areas on unstable sediments and other soft bedrock materials. These are generally very deep soils with ash covering a fine textured subsoil with many springs, small slumps, and hummocky topography throughout. Management activities on these areas may generate significant impacts upon soil and water characteristics as well as future potentials.

Enclosed is a tabular representation of the general characteristics of the soil and water resources in the Mountain Pine Beetle area and a presentation of concerns involved with four phases management and wildfire. The area of concern has been broken into four basic eco-units using Fred Hall's plant community type as the primary base. Generally, the progression from GLS-6CR to 7LS is from dry to moist and middle elevation to upper elevation.

Prepared by: Lee Ehmer - Umatilla
Curt Johnson - Umatilla
Glen McDonald - Umatilla
John Wade - Wallowa-Whitman
Woody Hunter - Wallowa-Whitman

WATER CHARACTERISTICS

6LS-6CR	6LS No Regeneration	6LS With Regeneration & Understory	7LS
Run off: High early in season contributes to early winter floods	Run off: High later in spring Not too important for winter flooding	Run off: latest →	
Sed Yield: Moderate	Sediment Yield: low to moderate when undisturbed	Base Flow: Contribute to sustained base flow →	
Moisture retention low in relation to others	Base flow: generates base flow when pyrociastic and basalt bedrock less with andesites and granitics		
Snow pack less than others - more " rain	Snow pack: greater than 6CR-6LS		
Water Quality: generally high quality water. More disolved salts and turbidity on 6LS-6CR →			

Beetle Impact Water

Small pockets: Openings in canopy less than 2 times tree height yield more snowpack run off carried later into season. Except 6LS-6CR which may release run off earlier following Beetle.

Large blocks: Openings in canopy greater than 2 times tree height yield more snowpack earlier run off with elevated peak flows.

Water Temp: Potential for temperature increases in all streams where crown shade is removed. This makes bole shade very important where no other shade is available.

MOUNTAIN PINE BEETLE - SOIL CHARACTERISTICS

6CR-6LS

Soil Char:

Ridgecrest or upper ridge
Side Slopes-Shallow Soils
½-0" - Organic Matter
0-10" - Ash
6-16" - Residual V. gravelly loam
Droughtly-southern aspect
Rapid infiltration
Shallow Soil Reservoir
Rock outcrops common
Freeze-thaw erosion slopes 20-50%

6LS - No Understory

Soil Char:

½-0" - O.M.
10-20" - Ash
0-10" - Residium
Non-wettable when dry
High infiltration on main
Snow Pack - modest storage capacity
Weak aggregate stability thus easily dislodged.
0-20% slope

6LS With Regeneration & Understory

Soil Char:

2-0" - O.M.
16-30" - Ash
0-10" - Residium
Non-wettable when dry
High infiltration of main
Snow pack - good capacity
Weak aggregate stability
Good regeneration of north aspects.
5-40% slope

7LS

Soil Char:

3-½" - Litter
2-0" - O.M.
16-30" - Ash
5-20" - Residium
Cold, moist site
Many more wet spots and springs
Poor regeneration potential
Slow growth
Frost pockets
Slope 0 - 20%

BEETLE IMPACT

Warmer soil and site temperature (more droughty) across all types →

Lowered regeneration potential

Surface erosion potential and frost heave increased

Higher rain drop impact

Regeneration relatively unchanged

Greater frost pocket effect - cooler microclimate

	6LS - 6CR	6LS NO REGEN	6LS W/REGEN & UNDERSTORY	7LS
HARVEST	Marginal timber site. Log to ground contact. Keeping erosion measures current. Selecting landing locations.	(Falling & gouging.) Increase stream temperature.		Marginal timber site. Compaction potention from logging and fuel treatment.
SLASH DISPOSAL	Logging residue needed: To cool the site. Retain soil moisture. Retard & filter runoff. Break up rainfall impact. Reduce frost action.	All "fines" needed to maintain: Soil cover. Nutrient cycle. Reduce frost heave. Retard & filter runoff. Raindrop impact. Soils tend to non-wettability.	Fire or machines might destroy regeneration. Fines needed to maintain nutrient cycle.	Machines verses: Wet spots. Compaction.
ROAD CONSTRUCTION	Ravel and slough of cuts 30% sideslopes.	High dust hazard.		Some slumps and wet spots. Local cutbank failures. Groundwater intercept.
Single lane With Turnout	Sidecast damage on steepter slopes (regen, reveg., ravel). Some bedrock exposure.		Local drainage problems.	
	Primary source of stream sediment.	High potential hazard for stream sedimentation.		
REGENERATION	Difficult: Hot, droughty soil. Limited fertility. Shallow soils. Marginal site. Species Pp, Lp.	Some of the problems: Lack of fertility. Droughtiness. Frost heave. Cool site. Marginal site. Species Lp.	Frost pockets (Cool sites). Pockets where frost heave can be a problem and at higher elevation (5,600'+). Species Fir, Larch, Pp.	Difficult because: Cold soil, Short growing season. Frost heave. Marginal site. Species Lp, Sub A, Esp, WBp.
NATURAL FIRE	It is likely that a wildfire would consume all organic material and duff, thus necessitating immediate rehabilitation. Hot fires will burn and expose the C horizons, thus seeding would need to be in the powdery ashes before the soil surface crusted over.			

III. Operations Data

A. Accessibility

The present transportation system is shown on Map . Areas of planned future sales and roadless areas are also shown.

The south end of the La Grande District has areas of poor to non-existent access, areas with old mining roads only. These areas contain considerable amounts of lodgepole pine. The following table summarizes accessibility date for lodgepole areas.

District	Roaded	Poor Access	Roadless Areas	Total Acres
Dale	107,500	10,200	103,200	220,900
Heppner	20,800	-	11,200	32,000
Ukiah	152,000	-	25,000	177,000
Baker	172,100	20,400	27,100	219,600
La Grande	271,200	68,300	11,000	350,600
	723,600	98,900	177,500	1,000,000

B. Logging Systems

Analysis of the slope classes in the Inventory Data indicates that tractor logging is appropriate for most of the lodgepole pine type.

Slope Class	Wtd %
0 - 35%	91.1
36 - 45%	4.4
46+%	4.5

District Data:

District	0 - 35%	36 - 45%	46+%
Dale	89.1	6.5	4.4
Heppner	100.0	-	-
Ukiah	97.1	-	2.9
Baker	77.4	12.9	9.7
La Grande	97.5	-	2.5

Cable systems could be used on steeper slopes if economical. Presently, economics are questionable for even tractor logging sales.

C. Logging Seasons in the lodgepole pine type are generally from May 15 to November 15 below 4000 ft. elevation. and from June 15 to October 15 above 4000 ft. elevation.

IV. Industry Capability

A. Local industry is presently based on sawlog raw material. Exceptions to this are the Boise Cascade Corporation Particle Board plant at La Grande and the U.S. Gypsum Fiber Board plant at Pilot Rock. However, these two plants obtain raw materials from area sawmills. The following list shows mill capacity for the area:

MILL STATISTICS

Location	Mill	Est. Annual Cut (MBF)
Pilot Rock	Louisiana-Pacific Corp.	55,000
Pendleton	Harris Pine Mills	33,000
"	Blue Mt. Forest Products, Inc.	10,000
Athena	S & G Lumber Co.	15,000
Elgin	Boise Cascade Corp. (Stud)	59,000
"	Boise Cascade Corp. (Plywood)	60,000
La Grande	Boise Cascade Corp. (Sawmill)	50,000
Baker	Ellingson Lumber Co. (Plywood)	48,000
Baker	Ellingson Lumber Co. (Sawmill)	60,000
Baker	Ronde Valley	18,000
Bates	Hines Lumber Co.	37,600
John Day	Hines Lumber Co.	8,000
John Day	San Juan Lumber Co.	41,000
John Day	Claughton Mill	1,000
Mt. Vernon	Hines Lumber Co. (Plywood)	114,000
Long Creek	Blue Mt. Forest Products	15,000
Heppner	Kinzua Corp. (Sawmill)	20,000
Heppner	Kinzua Corp. (Veneer)	50,000
		694,600

The industry is currently experiencing a low demand cycle due to a drop in housing starts. This has resulted in reducing the number of shifts or closing mills down until the conditions change.

B. The large amount of smaller diameter lodgepole pine in this area indicates a potential new market for pulpwood material. The current mountain pine beetle epidemic has killed a large volume of lodgepole and is predicted to kill much more. This presents an opportune time for the Forests to develop a market for pulpwood material in this area and, at the same time, utilize the large volume of dead material. The Forests should make industry contacts now to present the program and develop this market.

Some initial contacts with industry representatives have been made by Arvid Ellson, R.O. - TM, concerning this material. Among those contacted and expressing interest in chippable material are BCC, Publishers Paper, and a Japanese firm.

V. Concluding Statement

A. Alternative Actions

1. Intensive treatment of infested area. Development of pulpwood market assuring utilization of all sizes of dead material. Maximum funding provided for sales program, road development, and rehabilitation. Maximum consideration for other resources, especially big game, visual, water and fire management.

2. Moderate levels of stand treatment. Same as Alternative #1, except at a moderate funding level resulting is only part of the infested area being treated.

3. Continue at present levels of stand treatment. Sawlog material would be removed as part of the regular sale program and under present financing levels. Smaller material would not be utilized except as pole and post sales on limited areas.

4. No further stand treatment in the infested areas.

5. Maximum removal of wood fiber from the area. Pulpwood market developed to utilize all lodgepole pine. Minimum consideration for other resources.

B. Forest Recommendations

1. Forests need to develop a pulpwood market based on a 10-year sale program in the infested area. Sell 40-50 MMCF/year.

2. Forests need to acquire necessary funds and manpower to implement the sale program and meet intensive treatment objectives (alternative action #1). Obtain access monies and seek permission to enter applicable portions of roadless areas.

C. Setting Priorities

Regional Office support is necessary to establish a pulpwood market in this area. Priority for actions must also be set at the Regional level to assure the availability of resources to accomplish the program.

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FUTURE OF THE HIGHWAY PROGRAM

DEPARTMENT OF TRANSPORTATION WITNESSES

THURSDAY, JULY 17, 1975

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. Lloyd M. Bentsen, Jr. (chairman of the subcommittee) presiding.

Present: Senators Randolph (chairman of the full committee), Bentsen, and Stafford.

OPENING STATEMENT OF HON. LLOYD BENTSEN, U.S. SENATOR FROM THE STATE OF TEXAS

Senator BENTSEN. These hearings will come to order.

Mr. Secretary, I want to welcome you and your colleagues to this opening session of our hearings on "The Future of the Highway Program." This subcommittee has had a history of cooperation with officials at the Department of Transportation and I want to assure you, as a new Secretary of Transportation, that we are always willing to work with you to devise a transportation policy for the 1970's and beyond.

Cooperation, however, is a two-way street. I would be less than candid if I did not express my distress that the administration, which has been severely criticizing Congress for the absence of an energy policy, failed to submit its highway legislation until a few short days ago. Automobiles are, of course, our most conspicuous consumers of energy; if an energy program is to be effective, both the administration and the Congress have to treat transportation as a critical priority.

Now that the administration bill is finally before us, I will venture the personal observation that it contains some useful and constructive suggestions. We intend to give them close attention during these hearings and in our deliberations to follow. While we will not always agree with what you propose, we will always give your ideas the fullest airing and consideration.

Mr. Secretary, you are here to testify on highway legislation; but these hearings have not been structured to concentrate solely on highways. They are, in fact, a series of transportation hearings, which will focus each day on a key issue surrounding transportation

policy. Tomorrow, for example, we will receive testimony on urban transportation; Monday, on rural transportation; then in the following days, we will be concentrating on the Federal role in the highway program, safety, procedural delays, and national transportation policy.

We have structured our hearings in this manner because we want to have a dialog on key issues because we believe it is no longer realistic to discuss highways or transit or any other form of transportation without gauging its effects on our transportation system as a whole and on the quality of life in our society.

We convene these hearings recognizing that the country's energy requirements have created a series of circumstances unprecedented in our history. Since October 1973, the price of a barrel of imported crude oil has increased over 300 percent. The price of a gallon of gasoline at the pumps has jumped from 39 cents to 60 cents, with some predictions of rise substantially beyond that by year's end.

Our transportation system, which we once took for granted, has been shown to be highly vulnerable. We no longer have the luxury of falling back on our vaunted claims that we are the most mobile nation on earth. "The dogmas of the quiet past," as Lincoln said, "are inadequate to the stormy present."

Indeed it has come home to us with painful clarity in these last months that the days of cheap and easy transportation are over for this country. The family vacation, the businessman's commute, the young couple's new car, are no longer questions to be passed over lightly. And they are going to become more difficult in the months and years ahead.

In these circumstances, this committee stands ready to consider a wide range of options. We are not content to consider transportation piecemeal—as a highway or a transit or a rail problem. It is necessary, rather, to look at the broad picture, to consider transportation as a system with many related parts.

Ten years ago, Mr. Secretary, Lyndon Johnson sent Congress a message urging the establishment of a Department of Transportation. In it he said:

> America today lacks a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

Ten years later, we still lack that system that President Johnson called for. We want to know why, and we want to know what the administration and the Congress, working together, can do about it.

In this set of hearings, we will hear from a wide range of witnesses, including a former Secretary of Transportation, two former Federal Highway Administrators, State and local officials, urban planners, teachers, ecologists, environmental groups, and representatives of business and industry.

We will be using their testimony to assist us in writing a highway bill, but more than that, to help develop policies which will lead to the development of an integrated transportation system, worthy of a great power in the last quarter of the twentieth century.

Senator BENTSEN. I would like to now call on Senator Stafford for such comments as he might have in the way of an opening statement.

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. Thank you, very much, Mr. Chairman.

Mr. Secretary, I want to join the chairman of this subcommittee in welcoming you and your colleagues in your first formal appearance before us. I have had the pleasure of meeting you on past occasions. I look forward to your testimony here, and your colleagues', in the development of a highway program which is consistent with national transportation needs.

President Ford has sent the Congress constructive legislation which I, together with Senator Baker, was pleased to introduce. I understand the bill S. 2078 was initially developed before you took office, but I believe, however, that you have since taken the opportunity to review the proposal and incorporate your own recommendations.

I first want to commend the administration for recognizing that highway expenditures should not automatically be tied to some predetermined revenue course. Whether or not the specific funding changes proposed in S. 2078 should be adopted will be the subject of deliberations by this committee and the Finance Committee as we develop comprehensive highway legislation.

The principle of the funding proposal is, however, undisputably sound. In past years when trust fund receipts were climbing steadily and highway construction costs rose at a slower rate than prices in general, only those who wanted to slow highway construction argued that the trust fund income should not automatically determine the level of the highway program. Their message was you don't have to spend it just because it is there. That situation has changed. Construction costs rose precipitously in 1973, while for a short period revenues actually decreased.

It is now highway proponents who argue that the highway program levels should not automatically be tied to receipts in the trust fund. Both these positions argue strongly against letting predetermined revenues dictate program expenditures.

Perhaps it is easier to let revenues determine the level of spending for highways than to try to relate highway needs to total transportation and transportation needs to the whole economy. But it is my opinion that we need to approach the issue from the other direction. We need to determine what role the Federal Government should play in providing adequate mobility to our people and economical movement of goods.

We may decide that the Federal policy should be one which discourages excessive travel. We may decide it is necessary to adopt a national transportation policy which at the least will not encourage wasteful sprawl. We may conclude that the national transportation policy which best serves the Nation is one which is aimed at minimizing distances to be traveled by goods or people.

Whatever our conclusion, I believe the exercise of looking at alternatives or attempting to articulate a national policy, will inform and improve the decisions we make with respect to a future highway program. Regarding specific proposals in the administration's bill, I believe of particular merit is the proposal to allow faster progress on those interstate segments generally acknowledged as necessary to a safe and efficient national system.

The continued emphasis on flexibility in urban areas and the new provisions to encourage public transportation in rural areas are important. Also valuable is the consolidation of categories which the administration proposes. In short, Mr. Secretary, I believe the administration has made a valuable contribution to the development of the Federal Highway Act of 1975.

I hope that you, the administration, and Congress can work together to develop a constructive transportation policy and to fit the highway program into a coherent mold.

Thank you, Mr. Chairman.

Senator BENTSEN. Thank you, very much, Senator Stafford.

At this time I will have the statements of Senator Randolph and Senator Montoya made part of the record.

[The statements and the bill S. 2078 follow:]

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Our country has started to observe its 200th birthday as an independent nation. We have accomplished much during the past two centuries, but most of our successes would have been impossible without the development of a vast and varied transportation system. The colonists started their explorations of the continent by primitive forest trails and by pointing their boats up uncharted streams. Today, Americans have at their disposal a transportation network of remarkable diversity that penetrates every corner of this country.

Our mobility in the 20th Century has been tied closely to the development of the automobile. The comfort, convenience and—until recently—low cost of motor vehicles have made us a people strongly committed to cars, buses and trucks. For more than a half-century the use of motor vehicles has been facilitated by the Federal-aid highway program, the oldest grant-in-aid activity of the Federal Government. The fundamental mission of this program was and is to help the States create a basic roadway system.

One of the questions which we must consider in these hearings on the Federal-Aid Highway Act of 1975 is the extent to which that mission has been achieved. The remaining 14 percent of the Interstate system may be the most difficult and costly to construct, but we are able to acknowledge that this huge undertaking is entering its final stages. With the supporting primary, secondary and urban highways, the United States will have a roadway complex far in excess of what was imagined necessary 50 years ago.

Since 1956 the American people have committed more than $9¢ billion to development of highways on the various Federal-aid systems. This huge investment must be protected and properly utilized at the same time we approach such problem areas as deteriorating primary and secondary roads, inadequate and unsafe bridges, and public transportation services in rural areas and small towns.

Two fundamental questions thus become apparent. First, we must determine the proper Federal role in the highway program. Should the Federal Government, for instance, retain only those features of the program in which there is a clear national transportation interest and return other functions to the States? Or is there a continuing need for Federal support of State and local activities?

The definition of the Federal responsibility leads logically to the second major issue, that of financing. Whatever the Federal function is in highways, it must be adequately supported by the commitment of sufficient financial resources to meet these responsibilities.

The highway program of the future must be funded on the basis of need rather than on some arbitrary fiscal consideration. If we are to approach the generally desired goal of a balanced transportation system, funds must be allocated to all modes consistent with program objectives.

These are the basic issues on which we must focus in the development of a highway bill this year.

But there are others of great importance which must be explored during our hearings and during the deliberations of the Committee. We approach this work at a time when new pressures are altering attitudes toward highways, and what we do in the months ahead will greatly influence transportation in this country for years.

Public concern over energy supplies and costs, urban congestion and air pollution must be considered. The highway program must do its part in solving these problems, but the fact remains that automobiles will be the principal form of personal transportation in this country in the immediate future. This does not mean, however, that the manner in which they are used must not be altered. With more than 100 million motor vehicles now on the road, a highway program responsive to changing needs is essential. The new emphasis on management of our roads to secure their most efficient use reflects the recognition to today's facts of life.

The most widely discussed highway issue is the future of the Highway Trust Fund. Proposals for financing the highway program range from retaining the Trust Fund intact to its total abolition. These are not questions within the jurisdiction of the Committee on Public Works, although the method of paying for roads obviously relates to our work. My concern is not so much how the highway program is funded, as whether it is adequately funded. The emphasis may be different but substantial needs remain.

Monetary decisions are central to determining the pace for finishing the Interstate system. This 42,500-mile network is 86 percent open to traffic, but only 22 percent is completed to full construction standards. The remainder is toll roads and segments requiring minor improvements. The work remaining is estimated to cost more than $30 billion and must have a high priority. Even with some presently designated segments eliminated, an annual allocation sufficient to bring this program to an end is essential.

I look forward to discussing with Secretary Coleman the proposals of the President for the highway program. I am particularly interested in the suggested formula for apportioning Interstate construction funds. Members of the Committee will carefully examine this recommendation, for it addresses the necessity of permitting those States with the capacity to accelerate development of the Interstate system.

The level of funding proposed by the Administration for Interstate construction, however, is too low to facilitate much progress in completing the system. The work remaining to be done requires a larger commitment of funds, especially in an inflationary economy which saw roadbuilding costs increase by more than 50 percent during a two-year period.

The President's bill also recognizes the mounting maintenance problem by broadening the definition of construction. This would permit freer use of Federal highway funds and is directly related to the deteriorating condition of many roadways.

Among the issues which will be examined during these hearings is the perennial problem of redtape which impedes the operation of the highway program. The administrative procedures that have grown over the years are so complex that they regularly contribute to excessive delays and resulting higher construction costs.

New responsibilities have been added to the Federal-aid program to make it more responsive to contemporary concerns. Such areas as environmental protection, civil rights, public participation and replacement housing are proper concerns of the highway program. They should not be viewed as roadlbocks to highway construction but elements of the program of equal importance to engineering or the puring of concrete. I hope, therefore, that recommendations for eliminating radtape do not include the easing or eliminating of requirements in these areas. Instead, we must look for ways to facilitate compliance with all requirements of the highway program.

A related concern is that the Federal aid program now comprises more than 30 separate categories of activities. Some consolidation seems desirable, and the administration has proposed eliminating some categories and consolidating the rest into only four groups. In considering such an approach we must recall why many of these categories were created. They came into being because the existing authority did not permit or, more often, was not able to fund certain specific needs. There also is the question of state willingness to use general construction funds for high-cost projects such as bridge replacement. So, if we merge these special-purpose programs into general categories, there must be enough money to permit the continuation of such essential activities as bridge replacement, elimination of railroad-highway grade crossings or removal of highway hazards.

In this respect, I am pleased that the administration proposal includes safety as one of its four remaining categories. The Congress moved in this direction 2 years ago when it provided for the removal of roadside obstacles and the improve-

ment of high hazard locations. Making our roads safer on which to drive must be a priority matter in the future.

Finally, I must emphasize the importance of continuing our efforts to provide public transportation services for rural areas and small towns. The 1973 act authorized a demonstration program in this area under provisions which I sponsored. With administration support, this program was broadened in 1974. It is essential that we continue in this effort to utilize highways to improve the mobility of people who, by choice or necessity, live in lightly populated areas.

I have reviewed just a few of the important questions to which we are seeking answers. These hearings by the Subcommittee on Transportation have been planned on a subject matter basic with intense concentration on individual issues and their relationship to the broad scope of the total program. The witnesses invited to discuss these issues with us come from varied backgrounds, and I know that the experiences and knowledge they will share with us will be extremely helpful.

STATEMENT OF SENATOR JOSEPH M. MONTOYA

TRANSPORTATION SUBCOMMITTEE OF THE SENATE

PUBLIC WORKS COMMITTEE.

JULY 17, 1975

Mr. Chairman, the review of Americas highway program which this subcommittee is beginning today is a task which will have enormous impact on transportation in this country for decades to come. Not since the Interstate system was first conceived twenty years ago, has a congressional Committee evaluated the transportation needs of the entire country. I am sure that each member of this subcommittee is fully aware of the importance of this task, and will approach these hearings ready to chart a highway policy which will serve America for the remainder of this century.

As the subcommittee examines broad subject areas such as urban transportation, rural transportation, highway safety, the Federal Role in the Highway Program and other important issues affecting the Nation's transportation policy, I feel that we must not weaken the Federal funding arm which has allowed such significant progress in these areas over the last several years. Proposals which have been presented to this and other committees of the Congress, which would dilute the Highway Trust Fund, must be viewed with extreme caution, and in any event no changes should be considered until all the testimony we will receive here has been carefully considered. I realize that some areas of the country feel a need for

transportation systems which do not include highways as a vital component, but that does not mean we can weaken our efforts in the area of highway planning and construction. I am one Senator who firmly believes that completion of the Interstate should not spell the end of substantial Federal involvement in the planning and construction of highways.

Mr. Chairman, in New Mexico the Interstate system is 90.5 % complete as of June 30, 1975, but our need for federal assistance is not nearly so close to an end. Presently on the Federal-Aid system there are roads which are in critical need of upgrading, if local needs as well as national transportation needs are to be met. I am referring particularly to routes listed in Section 103 of the 1973 Federal-Aid Highway Act whcih identified eleven (11) routes for study by the Secretary of Transportation. Among these 11 study routes are two which traverse sections of New Mexico. One is U. S. 54 from Wichita, Kansas, to Tucumcari, New Mexico, and the second route is a 475.4 mile study route which runs from Amarillo, Texas to Las Cruces, New Mexico, with a spur to El Paso, Texas, involving sections of U. S. 60 and U. S. 70. These routes, I believe, are vital to the economic growth of the area, and involve highways which have not been upgraded and maintained at an adequate pace because the federal effort was concentrated in other programs.

The report of the Secretary of Transportation on these routes identifies economic growth in the Amarillo to Las Cruces corridor but it lists agriculture, oil, gas, and government employment as the reasons for this growth. It is clear to me that the above industries cannot survive in a state the size of New Mexico without an efficient highway transportation system.

I am citing this example because I believe that the future role of the federal government in a national transportation program involves more than completion of the Interstate system. The need for continued Federal involvement is clear and I am confident that this committee will recongnize the need for further considerable federal participation not only in the Interstate but other highway systems as well. We must commit our efforts toward upgrading and maintaining the non-interstate portions of the highway system so that America will have the transportation system that it needs. The development of a genuine national transportation system requires much more than the system of Interstate highways which is nearly complete.

Another point which needs to be stressed here is that in addition to the economic stimulus a new or improved highway brings to the affected area, highway construction means jobs. Even conservative estimates by the Department of Transportation claim that over 50,000 jobs are created by each billion dollars spent and the ripple effect from such expenditures could result in even more of a stimulus to our economy.

Mr. Chairman, during this time when we as a nation must carefully consider the benefit derived from each expenditure of our national resources, I believe the highway program has consistently proved itself. I do not feel that the time has come to restrict the federal role in our highway program and I am confident that this committee will exercise its discretion to assure the vigorous continuation of a national highway transportation system which will meet the needs of the future.

94TH CONGRESS
1ST SESSION

S. 2078

IN THE SENATE OF THE UNITED STATES

JULY 10, 1975

Mr. BAKER (for himself and Mr. STAFFORD) (by request) introduced the following bill; which was read twice and referred jointly by unanimous consent to the Committees on Finance and Public Works

A BILL

To authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SEC. 101. (a) This title may be cited as the "Federal-Aid Highway Act of 1975".

(b) Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other

provision, the reference shall be considered to be made to a section or other provision of title 23, United States Code.

REVISION OF AUTHORIZATIONS FOR THE INTERSTATE SYSTEM

SEC. 102. Section 108(b) of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1977, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1978, and the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1979" and by inserting in lieu thereof the following: "the additional sum of $3,250,000,000 for the fiscal year ending September 30, 1977, the additional sum of $3,400,000,000 for the fiscal year ending September 30, 1978, the additional sum of $3,550,000,000 for the fiscal year ending September 30, 1979, and the additional sum of $3,700,000,000 for the fiscal year ending September 30, 1980. All such sums shall be appropriated out of the Highway Trust Fund".

HIGHWAY AUTHORIZATIONS

SEC. 103. (a) For the purpose of carrying out the provisions of title 23, United States Code, the following sums are authorized to be appropriated:

(1) For the rural transportation assistance program,

$1,050,000,000 for each of the fiscal years 1977, 1978, 1979, and 1980.

(2) For the urban transportation assistance program, $800,000,000 for each of the fiscal years 1977, 1978, 1979, and 1980.

(3) For the highway safety improvement program, $400,000,000 for each of the fiscal years 1977, 1978, 1979, and 1980.

(4) For control of outdoor advertising under section 131 and for control of junkyards under section 136, $35,000,000 for fiscal year 1976 and $65,000,000 for each of the fiscal years 1977, 1978, 1979, and 1980.

(b) For each of the fiscal years 1977, 1978, 1979, and 1980, no State shall receive less than one-half of 1 per centum of the total apportionment for the Interstate System under section 104(b)(4) of title 23, United States Code. To the extent that implementation of the preceding sentence requires the reduction of an apportionment to a State, that reduction shall be made to that part of the apportionment made under clause (A) of section 104(b)(4). Whenever amounts made available under this subsection for the Interstate System in any State exceed the cost of completing that State's portion of the Interstate System, the excess amount shall be transferred to and added to the amounts apportioned

to such State under paragraphs (1), (2), and (3) of section 104(b) in the ratio which these respective amounts bear to each other in that State. There are authorized to be appropriated from the General Fund for each of the fiscal years 1977, 1978, 1979, and 1980, such sums as are necessary to liquidate obligations incurred under the preceding sentence.

TRANSFER OF FUNDS

SEC. 104. (a) Notwithstanding section 104 (c), (d), and (g) of title 23, United States Code, on or before September 30, 1976, all sums apportioned or allocated under chapter 1 (except those sums apportioned for the Interstate System) may, with the approval of the Secretary, be transferred to any program authorized under title 23, United States Code. However, funds apportioned for the Federal-aid urban system and allocated to an urbanized area having a population of two hundred thousand or more under section 150 of title 23, United States Code, may not be so transferred without the approval of the responsible local officials of such urbanized area.

(b) The provisions of subsection (a) of this section supersede the provisions of section 209 of the Highway Revenue Act of 1956 to the extent provisions of that section are inconsistent with subsection (a) of this section.

DEFINITIONS AND POLICY

SEC. 105. (a) Section 101 (a) is amended as follows:

(1) The definition of the term "construction" is amended to read as follows:

"The term 'construction' means the supervising, inspecting, actual building, and all the expenses incidental to the construction, reconstruction, rehabilitation, or restoration of a highway, including (1) locating, surveying, and mapping (including the establishment of temporary and permanent geodetic markers in accordance with specifications of the National Oceanic and Atmospheric Administration of the Department of Commerce); (2) acquisition of rights-of-way, including real property affected by the construction of highway projects or operations thereof and needed for an efficient and coordinated transportation system compatible with socially, economically, and environmentally sound patterns of land use; (3) relocation assistance; (4) acquisition of replacement housing sites; (5) acquisition and rehabilitation, relocation, and construction of replacement housing; (6) elimination of hazards of railway grade crossings; and (7) improvements which directly facilitate and control traffic flow, such as grade separations of intersections, widening of lanes, channelization of traffic, traffic control systems, and passenger loading and unloading areas,".

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(2) The definition of the term "urban area" is amended to read as follows:

"The term 'urban area' means a small urban area or an urbanized area.".

(3) Following the definition of the term "urban area" insert the following:

"The term 'small urban area' means an urban place so designated by the Bureau of the Census having a population of five thousand or more and not within any urbanized area, within boundaries fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary.".

(4) The definition of the term "urbanized area" is amended by deleting "Such" and inserting in lieu thereof "To the extent deemed practicable by the Secretary, such".

(5) The definition of "State highway department" is repealed and the following is inserted in lieu thereof:

"The term 'State highway agency' means that department, commission, board, agency, or official of any State charged by its laws with the responsibility for highway construction.".

(6) Following the definition of the term "rural areas" insert the following:

"The term 'highway safety improvement projects' means projects on any public road (except a route on the

Interstate System) to eliminate, reduce, or alleviate accidents or accident potential, including projects to correct high-hazard locations, eliminate roadside obstacles, eliminate hazards at railway-highway crossings (except through the separation of grade crossings), or to replace bridges which are inadequate because of structural deficiencies or physical deterioration.".

(7) Following the definition of the term "public lands highways" insert the following:

"The term 'public road' means any road or street under the jurisdiction of and maintained by a public authority and open to public travel.".

(8) The definition of "forest highway" is amended to read as follows:

"The term 'forest highway' means a forest road which is of primary importance to the States, counties, or communities within, adjoining, or adjacent to the national forests.".

(b) (1) The second paragraph of section 101 (b) is amended by striking out "twenty-three years" and inserting in lieu thereof "twenty-four years", by striking out "June 30, 1979" and inserting in lieu thereof "September 30, 1980", and by striking out ", and that the entire system in all States be brought to simultaneous completion".

(2) The third paragraph of section 101 (b) is repealed.

HIGHWAY ASSISTANCE PROGRAMS

SEC. 106. (a) Section 102 is amended to read as follows:

"HIGHWAY ASSISTANCE PROGRAMS

"SEC. 102. (a) The Secretary shall establish three highway assistance programs, the rural transportation assistance program, the urban transportation assistance program, and the highway safety improvement program.

"(b) (1) Funds authorized for the rural transportation assistance program are available for projects in any rural or small urban area, including projects on any public road, highway safety improvement projects, the construction of bus passenger loading areas and facilities (including shelters), fringe and transportation corridor parking facilities to serve bus and other public transportation passengers, and the purchase of passenger equipment (other than rolling stock for fixed rail systems).

"(2) After October 1, 1976, or after the Secretary issues regulations for the administration of this paragraph, whichever is later, funds authorized for the rural transportation assistance program are available to finance not more than 50 per centum of the costs of initiating and operating highway public passenger transportation projects in rural and small urban areas. The funds are available for a period of not more than three years from the date that a project is initiated. In issuing regulations under this paragraph, the

Secretary shall take into account the results of the rural highway public transportation demonstration program authorized by section 147 of the Federal-Aid Highway Act of 1973. To the extent that funds available under this subsection are utilized to pay operating expenses of a public passenger transportation project, such funds shall be supplementary to and not in substitution for the average amount of State and local government funds expended for the operation of such project for the two fiscal years preceding the fiscal year for which the project is intended. To the extent that intercity bus service is provided under this paragraph, preference shall be given to private bus operators who lawfully have provided rural highway passenger transportation over the routes or within the general area of the particular project.

"(3) Not less than 60 per centum of the sums apportioned to each State for each fiscal year under section 104 (b) (1) of this title shall be available for expenditure for projects on the Federal-aid primary and secondary systems.

"(c) Funds authorized for the urban transportation assistance program are available for projects serving urbanized areas, including projects on any public road, highway safety improvement projects, the construction of passenger loading areas and facilities (including shelters and intermodal passenger terminals), fringe and transportation corridor parking facilities to serve bus and other public mass

transportation passengers, the purchase of passenger equipment (including rolling stock for fixed rail systems), and the construction of facilities for public mass transportation.

"(d) (1) Funds authorized for the highway safety improvement program are available for highway safety improvement projects.

"(2) Each State shall establish and systematically maintain engineering procedures and methods for all highways to identify high-hazard locations which have high-accident experience or high-accident potential and constitute a hazard to vehicles or pedestrians, assign priorities for locations so identified, and establish and implement schedules of projects for their improvement.

"(3) Each State shall conduct and systematically maintain a traffic engineering survey of all highways to identify those highways or locations where new or improved traffic control devices can be expected to provide greater vehicle and pedestrian safety, assign priorities for locations identified, and establish and implement schedules of projects for their improvement. This element of the highway safety program shall give emphasis to providing warning devices at railroad-highway crossings and signing and marking devices at narrow bridges.

"(4) Not more than 30 per centum of the sums apportioned to each State for each fiscal year under section 104

(b) (2) of this title shall be available for the replacement of inadequate bridges.

"(e) The Federal share payable on account of any project under this section shall be that provided in section 120 (a) of this title, except as otherwise provided in subsection (b) (2) of this section.

"(f) Public mass transportation projects carried out under this section shall be subject to the provisions of law applicable to projects under section 142 of this title, except to the extent determined inconsistent by the Secretary.".

(b) The analysis of chapter 1 is amended by striking out

"102. Authorization."

and inserting in lieu thereof

"102. Highway assistance programs.".

FEDERAL-AID SYSTEMS

SEC. 107. (a) Section 103 (b) (2) is amended by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1976", and by striking out "urban areas" and inserting in lieu thereof "small urban areas".

(b) Section 103 (c) (2) is amended by striking out the first sentence and inserting in lieu thereof "After September 30, 1976, the Federal-aid secondary system shall consist of major rural collector routes and their extensions into or through small urban areas.".

(c) Section 103 (d) (2) is amended by striking out the first sentence and inserting in lieu thereof "After September 30, 1976, the Federal-aid urban system shall be located in each urbanized area and shall consist of extentions of the Federal-aid primary system through the area, other arterial routes, and collector routes.".

(d) Section 103 (e) (1) is amended by deleting from the second sentence "Upon the request of a State highway department" and by inserting in lieu thereof "Upon the request of a State Governor", and by deleting from the fourth sentence "set forth in House Public Works Committee Print Numbered 92–29, as revised in House Report Numbered 92–1443" and by inserting in lieu thereof "approved by Congress".

(e) Section 103 (e) (4) is amended to read as follows:

"(4) Upon the joint request of a State Governor and the local governments concerned, the Secretary may withdraw his approval of any route or portion thereof on the Interstate System which is within an urbanized area and which was selected and approved in accordance with this title prior to August 13, 1973, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by the

route or portion thereof. When the Secretary withdraws his approval under this paragraph, a sum equal to the Federal share of the cost to complete the withdrawn route or portion thereof, as that cost is included in the 1972 Interstate System cost estimate approved by Congress, subject to increase or decrease, as determined by the Secretary based on changes in construction costs of the withdrawn route or portion thereof as of the date of withdrawal of approval under this paragraph and in accordance with the design of the route or portion thereof that was the basis of the 1972 cost estimate, shall be available to the Secretary to incur obligations for the Federal share of projects authorized under any highway assistance program under section 102 of this title which will serve the urbanized area from which the interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the urbanized area, and which are submitted by the Governor of the State in which the withdrawn route was located. Approval by the Secretary of the plans, specifications, and estimates for a substitute project shall be deemed to be a contractual obligation of the Federal Government. The Federal share of the substitute projects shall be determined in accordance with the provisions of section 120 of this title applicable to the highway assistance program of which the substitute project is a part, except that in the case of mass transportation projects, the Federal share

shall be that specified in section 4 of the Urban Mass Transportation Act of 1964, as amended. The sum available for obligation shall become part of, and be administered through the Urban Mass Transportation Fund and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this paragraph such sums as may be necessary out of the general fund of the Treasury. Unobligated apportionments for the Interstate System in any State where a withdrawal is approved under this paragraph shall, on the date of approval of the withdrawal, be reduced in the proportion that the Federal share of the cost of the withdrawn route or portion thereof bears to the Federal share of the total cost of all interstate routes in that State as reflected in the latest cost estimate approved by the Congress. In any State where the withdrawal of an interstate route or portion thereof has been approved under section 103 (a) (4) of this title prior to the date of enactment of the Federal-Aid Highway Act of 1975, the unobligated apportionments for the Interstate System in that State on the date of enactment of the Federal-Aid Highway Act of 1975 shall be reduced in the proportion that the unobligated portion of the sum made available for substitute projects bears to the Federal share of the total cost of all interstate routes in that State as reflected in the latest cost estimate approved by the Congress prior to the date of

the withdrawal less any reduction in the interstate apportionment attributable to the Federal share of any substitute project made prior to the enactment of the Federal-Aid Highway Act of 1975.".

(f) Section 103 (g) is amended to read as follows:

"(g) On October 1, 1977, the Secretary shall remove from designation as a part of the Interstate System each segment of such System which he finds is not essential to completion of a unified and connected Interstate System and for which a State has not notified the Secretary that such State intends either to construct such segment or to request withdrawal of such segment as permitted under subsection (e) (2) or (e) (4) of this section. The notification by the State must include a schedule for the expenditure of funds for the completion of construction of such segment or alternative segment or a schedule for the request for withdrawal of such segment, and sufficient assurances satisfactory to the Secretary that such schedule will be met, or the segment shall be removed from designation as a part of the Interstate System. No segment of the Interstate System removed under the authority of this subsection shall thereafter be designated as a part of the Interstate System except as the Secretary finds necessary in the interest of national defense or for other reasons of national interest.".

APPORTIONMENT

SEC. 108. Except for subsection (c) of this section, which shall be effective October 1, 1976, the following amendments to section 104 shall be effective upon the date of enactment of this title:

(a) Section 104 (a) is amended to read as follows:

"(a) Whenever an apportionment or allocation is made of any of the sums authorized to be appropriated for expenditure for Federal-aid programs, the Secretary shall deduct a sum, in such amount, not to exceed 3¾ per centum of all sums so authorized, as the Secretary may deem necessary for administering the provisions of law to be financed from appropriations for Federal-aid programs and for carrying out the research authorized by section 307 of this title. In making such determination, the Secretary shall take into account the unexpended balance of any sums deducted for such purposes in prior years. The sum so deducted shall be available for expenditure from the unexpended balance of any appropriation made at any time for expenditure for Federal-aid programs until such sum has been expended.

(b) (1) Section 104 (b) is amended by striking out everything down through "following manner:" and inserting in lieu thereof the following:

"(b) On October 1 of each fiscal year the Secretary, after making the deduction authorized by subsection (a) of

this section, shall apportion the remainder of the sums authorized to be appropriated for expenditure for Federal-aid to highways for that fiscal year among the several States in the following manner:".

(2) Section 104(b)(1) is amended by striking out "(1) For the Federal-aid primary system:" and inserting in lieu thereof "(1) For the rural transportation assistance program:" and by striking out "of rural areas" each time it appears and inserting in lieu thereof "outside of urbanized areas".

(3) Section 104(b)(2) is amended to read as follows:

"(2) For the highway safety improvement program: Three quarters in the ratio which the population of each State bears to the population of all of the States as shown by the latest available Federal census; and one quarter in the ratio which the public road mileage in each State bears to the total public road mileage in all of the States. No State shall receive less than one-half of 1 per centum of the total amount apportioned each fiscal year.".

(4) Section 104(b)(3) is amended to read as follows:

"(3) For the urban transportation assistance program: In the ratio which the population in urbanized areas, or parts thereof, in each State bears to the total population in urbanized areas in all of the States as shown by the latest available Federal census. No State shall receive less than one-half of

1 per centum of the total amount apportioned each fiscal
2 year. Sums apportioned to a State under the preceding
3 sentence shall be available without limitation for transfer to
4 the sums apportioned under paragraph (1) or (2) of this
5 subsection.".

6 (5) Paragraphs (4), (5), and (6) of section 104(b)
7 are repealed and a new paragraph (4) is inserted to read
8 as follows:

9 "(4) For the Interstate System for the fiscal years
10 1977 through 1980: (A) One-half in the ratio which the
11 estimated Federal share of the cost of completing the Inter-
12 state System in each State bears to the sum of the estimated
13 Federal share of the cost of completing the Interstate System
14 in all of the States; and (B) one-half in the ratio which the
15 estimated Federal share of the cost of completing routes on
16 the Interstate System in each State determined by the Secre-
17 tary to be of national significance and essential for connec-
18 tivity of the System bears to the sum of the estimated Fed-
19 eral share of the cost of completing such routes in all of the
20 States. Sums apportioned on the basis of the cost of com-
21 pleting routes determined by the Secretary to be of national
22 significance and essential for connectivity of the System shall
23 be available for expenditure only for such routes. The Secre-
24 tary, in cooperation with the State highway agencies, shall

transmit to the Senate and House of Representatives by January 15, 1976, a detailed estimate of the cost of completing the Interstate System as then designated, after taking into account all previous apportionments made under this chapter. Such estimate shall identify those routes determined by the Secretary to be of national significance and essential for connectivity of the System and shall be based on rules and standards of uniform applicability to all of the States. Upon approval of the estimate by the Congress, the Secretary shall use the Federal share of the approved estimate in making apportionments for the fiscal years 1977 and 1978. The Secretary shall make a final revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this chapter in the same manner as stated above, and transmit the same to the Senate and the House of Representatives by January 15, 1978. Upon the approval of the estimate by the Congress, the Secretary shall use the Federal share of the approved estimate in making apportionments for the fiscal years 1979 and 1980.".

(c) Section 104 (c) is amended to read as follows:

"(c) If requested by the Governor of the State and approved by the Secretary as being in the public interest, an amount not to exceed 40 per centum of the amount appor-

tioned in any fiscal year to a State under section 104 (b) (1) or 104 (b) (3) may be transferred from the apportionment under one paragraph to the apportionment under the other paragraph. However, funds apportioned in accordance with section 104 (b) (3) and allocated to an urbanized area having a population of two hundred thousand or more under section 150 of this title may not be so transferred without the approval of the responsible local officials of such urbanized area.".

(d) Subsection 104 (d) and (g) are repealed and subsections (e) and (f) are redesignated as subsections (d) and (e), respectively.

(e) Section 104 (d) as redesignated herein is amended by striking out "On or before January 1 preceding the commencement" and inserting in lieu thereof "On October 1" and by adding at the end thereof "To permit the States to develop adequate plans for the utilization of apportioned sums, the Secretary shall advise each State of the amount that will be apportioned each year under this section not later than seven months before the beginning of the fiscal year for which the sums to be apportioned are authorized.".

(f) Section 104 (e) as redesignated herein is amended (1) by deleting from paragraph (1) "On or before January 1 next preceding the commencement" and inserting in lieu thereof "On October 1"; (2) by deleting from paragraph

(1) "upon the Federal-aid systems," and inserting in lieu thereof "for Federal-aid programs"; and (3) by deleting the period at the end of the first sentence of paragraph (3) and inserting in lieu thereof ", except that States receiving the minimum apportionment under paragraph (2) may, in addition, subject to the approval of the Secretary, use the funds apportioned to finance transportation planning outside of urbanized areas."

PROGRAMS

SEC. 109. Section 105(a) is amended (1) by deleting from the first sentence "systems" and inserting in lieu thereof "programs", and (2) by deleting from the third sentence ", but he shall not approve any project in a proposed program which is not located upon an approved Federal-aid system".

PLANS, SPECIFICATIONS, AND ESTIMATES

SEC. 110. Subsections (c) and (d) of section 106 are amended to read as follows:

"(c) Items included in any such estimate for construction engineering shall not exceed 10 per centum of the total estimated cost of a project financed with Federal-aid highway funds, after excluding from such total estimated cost, the estimated costs of rights-of-way, preliminary engineering, and construction engineering. However, this limitation shall

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be 15 per centum in any State with respect to which the Secretary finds such higher limitation to be necessary.

"(d) In such cases as the Secretary determines advisable, plans, specifications, and estimates for proposed projects to be constructed with Federal-aid funds shall be accompanied by a value engineering or other cost reduction analysis."

ADVANCE ACQUISITION OF RIGHTS-OF-WAY

SEC. 111. Section 108 is amended as follows:

(1) The last sentence of subsection (a) is amended by inserting after "request is made" the words "unless a longer period is determined to be reasonable by the Secretary".

(2) The last sentence of subsection (c) (2) is amended to read as follows: "Funds so advanced may be used to pay the entire costs of projects for the acquisition of rights-of-way, including the net cost to the State of property management, if any, and related moving and relocation payments made pursuant to any Federal law.".

(3) The first sentence of subsection (c) (3) is amended by striking out "earlier" and inserting in lieu thereof "later".

STANDARDS

SEC. 112. Section 109 is amended as follows:

(1) Subsection (a) is amended by striking out "on any Federal-aid system".

(2) Subsection (e) is amended by striking out "Fed-

eral-aid highway, or highway affected under chapter 2 of this title" and inserting in lieu thereof "highway assisted under chapter 1 or 2 of this title".

(3) The first sentence of subsection (i) is amended to read as follows: "The Secretary, after consultation with appropriate Federal, State, and local officials, shall develop and promulgate standards for highway noise levels compatible with different land uses, and which take into account the degree of access to the highway, and after July 1, 1972, shall not approve plans and specifications for any proposed project for which location approval has not yet been secured unless he determines that such plans and specifications include adequate measures to implement the appropriate noise level standards.".

CERTIFICATION ACCEPTANCE

SEC. 113. (a) Section 117 is amended by deleting subsection (a) and inserting the following subsections (a) and (b) in lieu thereof, and relettering the subsequent subsections accordingly:

"(a) The Secretary may discharge any of his responsibilities under any Federal law or Executive order (including implementing regulations and procedures) relative to projects under this title, except projects on the Interstate System, upon the request of any State, by accepting a certification by the Governor of the performance of such responsibilities, if

the Secretary finds that such responsibilities will be carried out in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and section 4(f) of the Department of Transportation Act (49 U.S.C. 1653) and with State laws, regulations, directives, and standards which will accomplish the policies and objectives contained in, or issued by the Secretary or other appropriate Federal officials pursuant to Federal laws, and in addition, with respect to the National Environmental Policy Act of 1969 and section 4(f) of the Department of Transportation Act, the State has an agency suitably equipped and organized to carry out to the satisfaction of the Secretary the duties under these Acts. Before accepting a certification by the Governor regarding the National Environmental Policy Act, the Secretary shall consult with the Chairman of the Council on Environmental Quality.

"(b) Where the Secretary has accepted a certification by a Governor pursuant to subsection (a), the Governor for the purposes of the National Environmental Policy Act, shall be considered the 'responsible official', and for the purposes of section 4(f) of the Department of Transportation Act, he shall be considered the 'Secretary', and shall be subject to the same judicial remedies and Federal court jurisdiction with regard to such laws to which the Secretary otherwise would

be subject. This subsection shall not preclude the States from providing other judicial and administrative remedies.".

(b) Section 117 (c), as redesignated herein, is amended by inserting after "final inspection" the words "or review".

(c) Section 117 (f), as redesignated herein, is amended to read as follows:

"(f) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any Federal law or Executive order respecting civil rights or equal employment opportunity.".

AVAILABILITY OF SUMS APPORTIONED

SEC. 114. (a) Section 118 (a) is amended by striking "to each Federal-aid system or part thereof" and inserting in lieu thereof "for Federal-aid for highways" and by striking out "expenditure" and inserting in lieu thereof "obligation".

(b) (1) The first sentence of section 118 (b) is amended to read as follows:

"(b) Such sums shall continue to be available for obligation in that State for the appropriate Federal-aid program or part thereof for a period of two years after the close of the fiscal year for which such sums are authorized and any amounts so apportioned remaining unobligated at the end of such periods shall lapse, except that any amount apportioned to the States for the Interstate System under section 104 (b)

of this title remaining unobligated at the end of the period during which it is available under this section shall lapse and may be reapportioned among those States which can obligate such sums expeditiously for the completion of routes on the Interstate System determined by the Secretary to be of national significance and essential for connectivity of the System.".

(2) The second sentence of section 118(b) is amended by striking out "expended" and inserting in lieu thereof "obligated" and by striking out everything after "covered by" and by inserting in lieu thereof "project approvals under section 106 of this title.".

(3) The third sentence of section 118(b) is amended by striking out "expenditure" and inserting in lieu thereof "obligation".

PREVIOUS AUTHORIZATIONS

SEC. 115. (a) A new section 119 is inserted to read as follows:

"PREVIOUS AUTHORIZATIONS

"SEC. 119. The provisions of this title apply to all unappropriated authorizations contained in prior Acts, and also to all unexpended appropriations heretofore made, providing for the expenditure of Federal funds upon the Federal-aid systems.".

(b) The analysis of chapter 1 is amended by striking out

"119. Administration of Federal-aid for highways in Alaska."

and inserting in lieu thereof

"119. Previous authorizations.".

PAYMENT TO STATES FOR CONSTRUCTION

SEC. 116. (a) Section 121 (c) is amended by striking out "system" and inserting in lieu thereof "highway".

(b) Section 121 (d) is amended to read as follows:

"(d) In making payments pursuant to this section, the Secretary shall be bound by the limitations with respect to the permissible amounts of such payments contained in sections 120 and 130 of this title. Payments for construction engineering on any project financed with Federal-aid highway funds shall not exceed 10 per centum of the Federal share of the cost of construction of such project after excluding from the cost of construction the costs of rights-of-way, preliminary engineering, and construction engineering. However, this limitation shall be 15 per centum in any State with respect to which the Secretary finds such higher limitation to be necessary.".

EMERGENCY RELIEF

SEC. 117. (a) Section 125 (a) is amended to read as follows:

"(a) An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120 of this title, for (1) the repair or reconstruction of highways, roads, and trails which he finds have suffered serious damage as the result of (A) natural disaster over a wide area such as by floods, hurricanes, tidal waves, earthquakes, severe storms, or landslides, or (B) catastrophic failures from any cause in any part of the United States, and (2) the repair or reconstruction of bridges which have been permanently closed to all vehicular traffic by the State after December 31, 1967, and prior to December 31, 1970, because of imminent danger of collapse due to structural deficiencies or physical deterioration. Subject to the following limitations, there is hereby authorized to be appropriated such sums as may be necessary to establish the fund authorized by this section and to replenish it on an annual basis. Not more than $150,000,000 is authorized to be expended in any one fiscal year to carry out the provisions of this section, except that, if in any fiscal year the total of all expenditures under this section is less than the amount authorized to be expended in such fiscal year, the unexpended balance of such amount shall remain available for expenditure during the next two succeeding fiscal years in addition to amounts otherwise available to carry out this section in such years. Pending such appropriation or replenishment the

Secretary may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriations herein authorized when made.".

(b) Section 125(b) is amended (1) by deleting from the first sentence "highways on the Federal-aid highway systems, including the Interstate System," and by inserting in lieu thereof "any public road", and by adding after the last sentence "If the President declares that a major disaster exists, the concurrence of the Secretary is not required.".

(c) Section 125 is amended by adding at the end thereof the following new subsection:

"(d) Action taken or assistance provided under this section that has the effect of restoring facilities substantially as they existed prior to the disaster shall not be deemed a major Federal action significantly affecting the quality of the human environment under the National Environmental Policy Act of 1969.".

FERRY OPERATIONS

SEC. 118. Section 129(g)(5) is amended to read as follows:

"(5) Such ferry may be operated only within the State

(including the islands of Hawaii and the Commonwealth of Puerto Rico) or between adjoining States. Except with respect to operations between the islands which comprise the State of Hawaii and the Commonwealth of Puerto Rico and operations between the States of Alaska and Washington, including stops at appropriate points in the Dominion of Canada, or between any two points within the State of Alaska, no part of such a ferry operation shall be in any foreign or international waters.".

TRANSPORTATION PLANNING

SEC. 119. (a) The title of section 134 is amended by striking out "in certain urban areas".

(b) Section 134(a) is amended to read as follows:

"(a) It is declared to be in the national interest to encourage and promote the development of transportation systems embracing various modes of transport in a manner that will conserve the Nation's energy resources, encourage more efficient use of the Nation's highway and transit facilities, and serve the States and local communities efficiently and effectively. To accomplish these objectives the Secretary shall, pursuant to such regulations as he deems necessary, cooperate with the States, as authorized in this title, in the development of short- and long-range highway plans and programs which are properly coordinated with plans for improvements in other affected forms of transportation and

which are formulated with due consideration to their probable effect on the future development of urbanized areas and the need to conserve energy and obtain a more effective utilization of existing urban transportation facilities. After July 1, 1975, the Secretary may not approve under section 105 of this title any program for projects in any urbanized area unless he finds that such projects are based on a continuing comprehensive transportation planning process carried on cooperatively by States and local communities and that the plans and programs conform with the objectives of this section. No highway project may be constructed in any urbanized area unless the responsible local officials of the urbanized area in which the project is located have been consulted and their views considered with respect to the corridor, the location, and the design of the project.".

(c) Section 134 is amended by adding at the end thereof the following new subsection:

"(c) On January 15, 1979, and every four years thereafter, the Secretary shall submit to the Congress a report assessing the performance of the Nation's transportation system and evaluating alternatives for achieving future improvements in the performance of that system.".

(d) The analysis of chapter 1 is amended by striking

"134. Transportation planning in certain urban areas."

and inserting in lieu thereof

"134. Transportation planning.".

TRAFFIC OPERATIONS IMPROVEMENT PROGRAMS

SEC. 120. (a) Section 135 is amended to read as follows:

"TRAFFIC OPERATIONS IMPROVEMENT PROGRAMS

"(a) The Congress hereby finds and declares it to be in the national interest that each State shall have a continuing program designed to reduce traffic congestion and facilitate the flow of traffic.

"(b) The Secretary may approve under this section any project for improvements which directly facilitate and control traffic flow.".

(b) The analysis of chapter 1 is amended by striking out

"135. Urban area traffic operations improvement programs."

and inserting in lieu thereof

"135. Traffic operations improvement programs.".

EQUAL EMPLOYMENT OPPORTUNITY

SEC. 121. Section 140(b) is amended by striking out the second sentence and by inserting in lieu thereof "Whenever apportionments are made under section 104(b) of this title, the Secretary shall deduct such sums as he may deem necessary, not to exceed $10,000,000 per fiscal year, for the administration of this subsection.".

PUBLIC TRANSPORTATION

SEC. 122. (a) Section 142(a)(1) is amended by in-

serting at the end thereof the following: "Unless otherwise approved by the Secretary, in the event fees are charged for the use of any parking facility constructed under this section, the rate thereof shall not be in excess of that required for maintenance and operation of the facility (including compensation to any person for operating the facility).".

(b) Section 142 (e) (3) is amended by striking out the last word and by inserting in lieu thereof "title".

ALLOCATION OF FUNDS FOR URBAN TRANSPORTATION ASSISTANCE PROGRAM

SEC. 123. (a) The title of section 150 is amended to read "ALLOCATION OF FUNDS FOR URBAN TRANSPORTATION ASSISTANCE PROGRAM.".

(b) The first sentence of section 150 is amended by striking "The funds apportioned to any State under paragraph (6) of subsection (b) of section 104" and inserting in lieu thereof "Seventy-five per centum of the funds apportioned to a State under section 104 (b) (3)".

(c) The third sentence of section 150 is amended by inserting after "approved for a State," the words "75 per centum of", and by striking out "paragraph (6) of subsection (b) of section 104" and inserting in lieu thereof "section 104 (b) (3)".

(d) The analysis of chapter 1 is amended by striking out

"150. Allocation of urban system funds."

and inserting in lieu thereof

"150. Allocation of funds for urban transportation assistance program.".

FOREST HIGHWAYS

SEC. 124. (a) Section 202 (a) is amended by striking out everything down through "for such fiscal year" and by inserting in lieu thereof "(a) Whenever an apportionment is made under section 104 (b) of this title of the sums authorized to be appropriated for expenditure for the rural transportation assistance program for fiscal years 1977 through 1980, the Secretary shall deduct therefrom such sums as he may deem necessary, not to exceed $34,000,000 for each fiscal year, for the construction and maintenance of forest highways. Thereupon, the Secretary shall apportion the deducted sums".

(b) Sections 204 (d) and (e) are amended by striking out "appropriations" and inserting in lieu thereof "funds available".

TERRITORIAL HIGHWAYS

SEC. 125. (a) Section 215 (c) is amended by striking out "No part of the appropriations authorized under this section" and inserting in lieu thereof "Whenever an apportionment is made under section 104 (b) of this title of the sums authorized to be appropriated for expenditure for the rural

transportation assistance program for fiscal years 1977 through 1980, the Secretary shall deduct therefrom such sums as he may deem necessary, not to exceed $5,000,000, $3,000,000, and $2,000,000, to carry out this section for the Virgin Islands, Guam, and American Samoa, respectively. None of those funds".

(b) Section 215 (d) is amended by striking out each time they appear the words "sums authorized to be appropriated for each fiscal year for carrying out subsection (a) of" and by inserting in their place "funds available for each fiscal year for".

(c) Sections 215 (e) and (f) are amended by striking out "authorized to be appropriated" and inserting in lieu thereof "available".

RESEARCH AND PLANNING

SEC. 126. (a) The text of section 307 is amended to read as follows:

"(a) The Secretary is authorized in his discretion to engage in research on (1) all phases of highway construction, reconstruction, modernization, development, design, maintenance, safety, economics, financing, and traffic conditions, (2) truck freight and bus passenger terminal facilities and related vehicle design features, including size and weight standards, (3) highway transportation of hazardous materials, (4) economic, social, environmental, and other com-

munity impacts of highway transportation, (5) reducing the energy demand of highway transportation, and (6) the effects of State laws on the subjects referred to in clauses (1) through (5). The Secretary is authorized to test, develop, conduct feasibility studies, prepare plans for operational demonstrations or applications, or assist in the testing and developing of any material, invention, patented article, process or new technological developments. The Secretary may publish the results of such research. The Secretary may carry out the authority granted hereby, either independently, or in cooperation with any other branch of the Government, State agency, authority, association, institution, corporation (profit or nonprofit), or any other organization, or person. The Secretary is also authorized, acting independently or in cooperation with other Federal departments, agencies, or instrumentalities, to make grants for research fellowships for any purpose for which research is otherwise authorized by this section.

"(b) The funds required to carry out this section shall be derived from the administrative and research funds authorized by section 104 of this title, funds authorized to carry out section 403 of this title, and such funds as may be deposited in a special account with the Secretary of the Treasury for such purposes by any cooperating organization or person. The provisions of section 3709

of the Revised Statutes, as amended (41 U.S.C. 5), shall not be applicable to contracts or agreements made under the authority of this section.

"(c) (1) Not to exceed 1½ per centum of the sums apportioned for each fiscal year to any State under section 104 (b) of this title shall be available for expenditure only for engineering and economic surveys and investigations, planning and policy development with respect to future statewide transportation programs and local public transportation systems and planning for the financing thereof, studies of the economy, safety, and convenience of transportation service and the desirable regulation and equitable taxation thereof, research and development necessary in connection with the planning, design, construction, and maintenance of transportation systems and the regulation and taxation of their use, and the collection of transportation system data, the monitoring of transportation system performance, and the reporting of such data to the Secretary for use in the development of national transportation policy and program evaluation.

"(2) In addition to the percentage provided in paragraph (1) of this subsection, not to exceed one-half of 1 per centum of the sums apportioned for each fiscal year under paragraphs (1), (2), and (3) of section 104(b) of this title shall be available for expenditure upon request of the State highway agency for the purposes enumerated in para-

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graph (1) of this subsection, including demonstration projects in connection with such purposes.

"(3) Sums made available under paragraphs (1) and (2) of this subsection shall be matched by the State in accordance with section 120 of this title unless the Secretary determines that the interests of the Federal-aid highway program would be better served without such matching.".

LANDSCAPING AND SCENIC ENHANCEMENT

SEC. 127. The text of section 319 is amended to read as follows:

"The Secretary may approve as part of the construction of projects under this title the costs of landscape and roadside development which is reasonably necessary to accommodate the traveling public and which will provide a pleasing appearance appropriate to its environment, including but not limited to, the development of publicly owned and controlled safety rest areas and scenic overlooks, and acquisition of scenic lands or lesser interests therein necessary for the restoration, preservation, or enhancement of scenic beauty adjacent to such highways. The Secretary may limit some or all of these actions to a system of designated scenic highways if he establishes criteria for the designation of such a system.".

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

SEC. 128. Section 147 (a) of the Federal-Aid Highway Act of 1973, as amended, is amended by striking "of which $50,000,000 shall be out of the Highway Trust Fund," from the first sentence and "from the General Fund" from the second sentence.

CARPOOL DEMONSTRATION PROJECTS

SEC. 129. Section 3 of the Emergency Highway Energy Conservation Act, as amended (87 Stat. 1047, 88 Stat. 2289), is amended as follows:

(1) Subsection (a) is amended by adding at the end thereof the following: "For the purposes of this section, the term 'carpool' includes a vanpool.".

(2) Subsection (c) is amended by inserting after "opportunities," the words "acquiring vehicles appropriate for carpool use,".

(3) Subsection (d) is amended by deleting "and (6)" from the first sentence, and by deleting the second sentence.

REPEALS

SEC. 130. (a) The following provisions are repealed on the date of enactment of this title:

(1) Section 137, Fringe and corridor parking facilities.

(2) Section 217(e), Limitation on use of authorizations for bicycle transportation and pedestrian walkways.

(3) Section 3 of Public Law 89-139 (79 Stat. 578).

(b) The analysis of chapter 1 is amended by striking out:

"137. Fringe and corridor parking facilities."

and by inserting in lieu thereof:

"137. Repealed.".

TECHNICAL AMENDMENTS

SEC. 131. Title 23, United States Code, is amended as follows:

(1) The analysis of chapter 1, section 111, is amended to read:

"111. Agreements relating to the use of and access to Interstate System rights-of-way.".

(2) The analysis of chapter 1 is amended by striking:

"113. Relocation assistance.".

(3) The term "State highway department" is amended to read "State highway agency" each place it appears.

(4) Section 112(e) is amended by striking out "on the Federal-aid secondary system".

TITLE II

SHORT TITLE

SEC. 201. This title may be cited as the "Highway Trust Fund Extension Act of 1975".

HIGHWAY TRUST FUND

SEC. 202. Section 209 of the Highway Revenue Act of 1956 (relating to the Highway Trust Fund) is amended as follows:

(a) Subsection (c) (relating to transfers to Highway Trust Fund of amounts equivalent to certain taxes) is amended to read as follows:

"(c) TRANSFER TO THE TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

"(1) IN GENERAL.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to the following percentages of the taxes received in the Treasury under the following provisions of the Internal Revenue Code of 1954 (or under the corresponding provisions of prior revenue laws)—

"(A) 100 percent of the taxes received after June 30, 1956, under sections 4041 (taxes on diesel fuel and special motor fuels) and 4071 (a) (4) (tax on tread rubber);

"(B) 100 percent of the taxes received after June 30, 1956, and before October 1, 1976, under section 4081 (tax on gasoline);

"(C) 25 percent of the taxes received after

September 30, 1976, under section 4081 (tax on gasoline), except that the ratio shall be 33⅓ percent of the taxes attributable to sales in a State, as estimated by the Secretary of the Treasury, which has increased its tax on gasoline by at least 1 cent a gallon after such date; and 33⅓ percent of the taxes received under section 4081 during any fiscal year in which all States have increased their tax on gasoline after September 30, 1976, by at least 1 cent a gallon;

"(D) 20 percent of the tax received after June 30, 1956, and before July 1, 1957, under section 4061 (a) (1) (tax on trucks, buses, etc.);

"(E) 50 percent of the tax received after June 30, 1957, and before July 1, 1962, under section 4061 (a) (1) (tax on trucks, buses, etc.), and 100 percent of the tax received after June 30, 1962, under section 4061 (a) (1);

"(F) 37½ percent of the tax received after June 30, 1956, and before July 1, 1957, under section 4071 (a) (1) (tax on tires of the type used on highway vehicles);

"(G) 100 percent of the taxes received after June 30, 1957, under section 4071 (a) (1), (2), (3), and (5) (taxes on tires of the type used on

highway vehicles, other tires, and inner tubes);

"(H) 100 percent of the tax received under section 4481 (tax on use of certain vehicles);

"(I) 100 percent of the floor stocks taxes imposed by section 4226(a); and

"(J) 100 percent of the taxes received after December 31, 1965, under sections 4061(b) (tax on parts and accessories for trucks, buses, etc.) and 4091 (tax on lubricating oil).

"In the case of any tax described in subparagraph (A), (B), (D), or (F), amounts received during the fiscal year ending June 30, 1957, shall be taken into account only to the extent attributable to liability for tax incurred after June 30, 1956.

"In the case of any tax described in subparagraph (J), amounts received during the calendar year 1966 shall be taken into account only to the extent attributable to liability for tax incurred after December 31, 1965.

"(2) METHOD OF TRANSFER.—The amounts appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Trust Fund on the basis of estimates by the Secretary of the Treasury of the amounts, referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the

extent prior estimates were in excess of or less than the amounts required to be transferred.

"(3) ADJUSTMENTS FOR AVIATION USES.—The amounts described in paragraphs (1) (A), (1) (B), and (1) (C) with respect to any period shall (before the application of this subsection) be reduced by appropriate amounts to reflect any amounts transferred to the Airport and Airway Trust Fund under section 208 (b) of the Airport and Airway Revenue Act of 1970 with respect to such period. The amounts described in paragraph (1) (G) with respect to any period shall (before the application of this subsection) be reduced by appropriate amounts to reflect any amounts transferred to the Airport and Airway Trust Fund under section 208 (b) (3) of the Airport and Airway Revenue Act of 1970 with respect to such period.".

(b) Subsection (e) (1) (relating to management of Trust Fund in general) is amended by striking out "Commerce" and inserting in lieu thereof "Transportation" and by striking out "thereafter up to and including the fiscal year ending June 30, 1978".

(c) Subsection (f) (relating to expenditures from the Trust Fund) is amended to read as follows:

(1) The text of paragraph (1) (relating to Federal-aid highway program) is amended to read as fol-

lows: "Amounts in the Trust Fund shall be available, as provided by appropriation acts, for making expenditures to meet those obligations of the United States, which are attributable to Federal-aid highways on the National System of Interstate and Defense Highways and to administrative expenses of the Federal Highway Administration in carrying out that program."

(2) The first sentence of paragraph (3) (relating to transfers from Trust Fund for gasoline and lubricating oil used for certain purposes) is amended to read as follows: "The Secretary of the Treasury shall pay from time to time from the Trust Fund into the general fund of the Treasury amounts equivalent to the amounts paid under sections 6420 (relating to amounts paid in respect of gasoline used on farms), 6421 (relating to amounts paid in respect of gasoline used for certain nonhighway purposes or by local transit systems), and 6424 (relating to amounts paid in respect of lubricating oil not used in highway motor vehicles) of the Internal Revenue Code of 1954 on the basis of claims filed for periods beginning after June 30, 1956. The amounts paid to the general fund for amounts paid under sections 6420 and 6421 shall be proportionate to the allocation of revenues from the taxes imposed by section 4081 (tax

on gasoline) to the general fund of the Treasury and the Trust Fund.".

(3) Paragraph (4) (relating to 1972 floor stock refunds) is amended by striking out "1972" in the heading; and by striking out "before July 1, 1978," in the first sentence.

(4) Paragraph (5) (relating to transfer from the Trust Fund for special motor fuels and gasoline used in motorboats) is amended by striking out "Commerce" and inserting in lieu thereof "Transportation," and by adding at the end thereof: "The amounts paid to the land and water conservation fund shall be proportionate to the allocation of revenues from the taxes imposed by section 4081 to the general fund of the Treasury and the Trust Fund.".

(5) Paragraph (6) (relating to transfer from the Trust Fund for income tax credits allowed for certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "used before October 1, 1977," and by adding after the first sentence: "The amounts paid to the general fund for credits allowed with respect to gasoline shall be proportionate to the allocation of revenues from these taxes to the general fund of the Treasury and the Trust Fund."

(6) Paragraph (7) (relating to transfers from

the Trust Fund for nontaxable uses of fuels) is amended by striking out "before July 1, 1978" and by striking out "before October 1, 1977,".

(d) Subsection (g) (relating to adjustments of apportionments) is amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

TRANSFERS TO AND FROM LAND AND WATER CONSERVATION FUND

SEC. 203. Section 201 (b) of the Land and Water Conservation Fund Act of 1965 is amended—

(a) by striking out in paragraph (1) "before July 1, 1978," and by striking out "for periods ending before October 1, 1977".

(b) by striking out in paragraph (2) "before July 1, 1978,".

POSTPONEMENT OF CERTAIN EXCISE TAX RATE REDUCTIONS

SEC. 204. The following provisions of title 26, United States Code (the Internal Revenue Code), are amended as follows:

(1) Section 4061 (a) (1) (relating to imposition of tax on trucks, buses, tractors, etc.) is amended by striking out ", except that on and after October 1, 1977, the rate shall be 5 percent".

(2) Section 4061 (b) (1) (relating to imposition of tax on parts and accessories) is amended by striking out ", except that on and after October 1, 1977, the rate shall be 5 percent".

(3) Section 4071 (d) (relating to imposition of tax on tires and tubes) is repealed and subsection (e) of section 4071 is renumbered subsection (d).

(4) Section 4081 (b) (relating to imposition of tax on gasoline) is amended to read as follows:

"(b) CREDIT FOR STATE TAX.—"On and after October 1, 1976, the producer or importer may credit against the tax imposed by this section the amount of 1 cent a gallon for each gallon sold by him in any State which has increased its gasoline tax in effect on September 30, 1976, by 1 cent or more per gallon. Credit may be taken only for sales of gasoline for which the producer or importer is liable for the State tax. The credit shall be applicable to a sale on or after the first day of the first month which is coincident with or follows the effective date of the State tax increase. On and after October 1, 1976, whenever all States have increased their tax on gasoline by 1 cent or more a gallon, the tax imposed by this section shall be 3 cents a gallon beginning with the succeeding fiscal year.".

(5) The last sentence of section 4481 (a) (relat-

ing to imposition of tax on the use of certain highway motor vehicles) is hereby repealed.

(6) Section 4481(e) (relating to period tax in effect) is hereby repealed.

(7) Section 6421(h) (relating to effective date of tax on gasoline used for certain nonhighway purposes or by local transit systems) is hereby repealed.

(8) Section 6156(e) (relating to installment payments of tax on use of highway motor vehicles) is amended to read as follows: "This section shall not apply to any liability for tax incurred in July, August, or September of any year.".

(9) Section 6416(b) (relating to special cases in which taxpayments are considered overpayments) is amended by adding the following new subparagraph in paragraph (2):

"(N) in the case of gasoline, sold or resold (other than for a fuel in aircraft) in a State where a sale by the producer would meet the qualifications for the credit referred to in section 4081(b);".

EFFECTIVE DATE

SEC. 205. The amendments made by this title shall take effect upon enactment.

Senator BENTSEN. Mr. Secretary, we are very pleased to have you. Would you for the record introduce those at the witness table with you.

STATEMENT OF HON. WILLIAM T. COLEMAN, JR., SECRETARY OF TRANSPORTATION, ACCOMPANIED BY NORBERT T. TIEMANN, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION; THEODORE C. LUTZ, DEPUTY UNDER SECRETARY, BUDGET AND PROGRAM REVIEW, DEPARTMENT OF TRANSPORTATION; AND LESTER P. LAMM, EXECUTIVE DIRECTOR, FEDERAL HIGHWAY ADMINISTRATION

Secretary COLEMAN. I have with me Mr. Norbert T. Tiemann, who is the Federal Highway Administrator; Mr. Theodore C. Lutz, who is the Deputy Under Secretary for Budget and Program Review in the Department of Transportation; and Mr. Les Lamm, who is the Executive Director of the Federal Highway Administration.

Mr. Chairman, Senator Stafford, I appreciate your statements because I think they set the proper tone for these hearings. I feel that in the whole area of transportation, on questions regarding highways and other ways to move people about, there is no critical debate or controversy as to the ultimate ends.

I think that the administration and the Senate each have the same objective, and it is a question of how we can jointly work to get there. Therefore, I appreciate greatly the thought that we have a common problem and would like to solve it in the best interest of the American people.

With respect to the delay which you alluded to, Mr. Chairman, the fact is that I was nominated on January 7 of this year, and I was confirmed on March 7. I felt when I took office that one of the principal issues would be the highway program. I felt I had an obligation to review the program.

I also felt that since there was such expertise, both in the Department, other places in the administration, and up on the Hill, it was my responsibility to engage in consultation. If you felt 4 months of doing that was too long, I will try to do it quicker the next time. But I did feel that was an important part of my responsibility.

Senator BENTSEN. No one questions the depth of your responsibility, Mr. Secretary. We felt from the time of the nomination that you would have been familiarizing yourself with the responsibilities, so we were looking at something in excess of that period of time.

Secretary COLEMAN. Maybe as a Philadelphia lawyer, you never count the chicken until it is in the pot. So until I was confirmed, I really felt I was just another person who may or may not get the job.

But in any event, I am pleased to have this opportunity to appear before you to discuss the administration's views on the major issues confronting the Nation's highway program. I know that my appearance today marks the beginning of what will be a close and effective working relationship and consultive relationship with this committee.

The comprehensive hearings you have scheduled will, I am sure, provide you and the Nation with a great deal of information on many topics of interest. I would like to focus my attention today on the

administration's proposed highway legislation, S. 2078, and how it represents in our view a reasonable Federal response to the Nation's transportation problems.

It has now been almost 2 years since the enactment of the landmark Federal-Aid Highway Act of 1973. The flexible solutions to the Nation's transportation problems which were provided by that important legislation have enabled numerous cities and States to meet more effectively their citizens' needs. That legislation represented an important and timely change in direction in an established program.

The administration's legislative proposal for 1975, we believe continues to move in this direction. Adoption of the proposal by the Congress would mark another important milestone in the development of a national transportation policy.

Our proposed legislation comes to grips with some of the major questions confronting the program and makes some hard choices. The proposal addresses four issues of overriding importance. First, the legislation focuses on the sources of financial support for the highway program and the future of the highway trust fund.

Second, the bill reexamines the operation of the interstate program and recommends some major modifications in order to reflect more accurately national priorities as they exist in 1975.

Third, the proposal recommends a large-scale consolidation of the existing categorical grant programs as a means of providing State and local officials with increased flexibility.

Fourth, the bill attempts to provide responsible funding levels, taking into account the relative priority that highway construction should receive, first in connection with other modes of transportation and also in connection with the overall Federal budget.

The bill obviously covers more than these four areas, and after my testimony, I will try to answer any questions that you might have. However, given the comprehensive nature of your hearings, I will focus my testimony on the major policy implications of our legislative proposal.

For each area, I hope to describe what we recommend in our proposal, what deficiencies these recommendations are expected to resolve, and why we selected the chosen course of action.

FINANCIAL STRUCTURE/HIGHWAY TRUST FUND

Our recommendations to revise the financial structure of the program have been seized upon as the most controversial part of our proposal and have been the subject of a great deal of attention from the media. The changes, while important, are not the radical departure they are sometimes described to be by those who would oppose them.

We are recommending that 3 cents of the Federal excise tax on gasoline not be put in the trust fund. Two cents of that amount would be directed to the general fund, and the remaining penny would be repealed in any State that increases its tax by at least that amount.

This would retain in the highway trust fund revenues generated by 1 cent of the tax on gasoline as well a revenues generated by the existing diesel fuel tax, truck excise taxes, excise taxes on tires and tread rubber, and revenues from the various other taxes which currently go into the trust fund. We would then restrict the application of

trust fund moneys to projects on the Interstate System, and all other Federal highway assistance would come from general Federal revenue funds.

In total, under our proposal, there would be as much money available for highway construction as there is under the present program, assuming the State and local community would wish to spend it on highway construction. Our bill would provide an average of $3.5 billion per year for the construction of the Interstate System, $1 billion for rural assistance program, $800 million for the urban assistance program, $400 million for the safety improvement program, and $65 million for the continuation of the highway beautification program. That program, as you know much better than I do, was first started under the suggestion of Mrs. Johnson.

Both the urban and rural programs would make funds available for a full range of public transportation projects. In addition, slightly more than $1 billion in new revenues would be available to the States under our tax preemption proposal. States could use these preempted funds for highway construction, but they would have the option of using them for other purposes as well.

Collectively, this makes almost $7 billion per year available for highway construction for the remainder of the decade, while under the existing program, the highway excise taxes would generate only an estimated $6.6 billion per year between now and 1980. I still have difficulty saying "only" when I talk about $6.6 billion, but I will apologize for that.

In addition to providing a substantial funding level, the States will be able to use more effectively these resources to meet their own needs as a result of the additional flexibility provided by our proposal.

As you know, prior to 1956, Federal assistance for highways came from general funds, and highway excise taxes were just another source of Federal revenue. With the national commitment to construct the Interstate System, the trust fund was established. We are still committed to completing the Interstate System and would still finance its construction from the trust fund, honoring the mandate of 1956. Further, we contemplate in the future financing from the highway trust fund and the rehabilitation and improvement of the system.

For the noninterstate highway programs we would use general fund financing. This, too, seems a logical step as these programs focus heavily upon economic and general community development as well as local transportation needs.

Finally, we would turn back 1 cent of the Federal gasoline tax to the States. This would provide them with an additional source of revenue to use as they wish, totally unencumbered by Federal requirements.

These recommendations are aimed at resolving a number of problems and constitute a strong move toward an improved national transportation policy.

First: And Senator Stafford alluded to this in his opening statement, we want to reduce the linkage between highway tax revenues and highway program levels. In the past, this linkage has forced the program in some years to funding levels higher than we think desirable. In the future revenues could just as easily serve as an undesirable ceiling on highway assistance. Program requirements viewed in the context

of an overall Federal spending level is the proper and sensible way to set program funding levels.

Second: We want to make it simpler to modify the program in the future if such actions are warranted. Traditionally, it has been difficult to adjust any program financed by earmarked revenue sources to reflect changing circumstances and national priorities.

Third: With respect to the tax turnback, we are trying to increase State revenues without increasing the tax burden on any citizens. We expect that most of the revenues generated by the 1-cent gas tax would be used for transportation, but believe that such decisions can best be made by, and thus should be left to, the States. Further, these funds would no longer be subject to Federal redtape.

There is a great deal that is attractive about a program where the user pays for special benefits he receives, although this does not require the establishment of a trust fund. However, one condition for the sensible application of the user tax principle is the ability to identify clearly the beneficiaries of any program and the relative distribution of the benefits among them.

In the case of the noninterstate programs, ascribing benefits of the programs to specific classes of users is particularly difficult in view of the broad community development nature of these programs. For this reason, it is logical that the noninterstate programs be financed out of general revenues.

We believe that our financial proposal is a balanced reaction to a number of problems, and that it will have a beneficial impact in the future without seriously disrupting the present program.

INTERSTATE PROGRAM

The second major feature in this bill is the proposed change in the operation of the interstate program. With 85 percent of the mileage on the system open to traffic, we believed it prudent to reexamine carefully the operation of the system and to see if it is, in fact, achieving national objectives. From our examination, it is clear that there are really two types of routes on the system. The first category consists of inner city routes, those which commonly come to mind when people think about the system. The second category consists of routes that principally serve local or regional needs and are primarily used as commuter roads.

We believe that the completion of the first category of interstate routes has a much higher priority than the second. To implement this policy, we included in our bill three changes in the operation of the program.

First: Rather than apportioning authorizations based upon the relative cost of completing all interstate routes in each State, we would apportion half the money based on the cost of completing routes of national significance and half in the conventional manner. This approach places additional emphasis on meeting the cost of high-priority links and results in different allocations of interstate funds.

Second: Having distributed funds based upon this new classification, we would require that the portion of the authorization apportioned to the States based upon the cost of completing high-priority routes be used only on those routes.

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We would, of course, encourage States also to use their remaining funds on those high-priority routes, but the States would have the flexibility to use these funds on any interstate route in the State.

Third: We would reinforce the prospect of expediting high-priority routes by making lapsed interstate funds available only for use on high-priority routes.

Taken together, the amendments establish a much more precise definition of what we view to be the proper Federal role. Regardless of the ultimate size of the interstate authorization, we believe it desirable to focus Federal funds on expediting the completion of high-priority links.

Before I leave this topic, I would like to spend a moment to describe just how we have tentatively classified interstate routes. We first went to the interstate map and placed all inner city links into the high-priority category. When we came to an urban area with a single interstate route through it, that route also was added to the high-priority category. We had to make choices only in those areas where there is more than one route through or around a major urbanized area. When we examined the interstate links in such an area, we selected the routing which was most nearly complete or most likely to be completed.

This preliminary assessment was done by DOT headquarters staff without any State input. Thus, to a degree, there may be some cases where the latest status of a route was not known. Further, there was no attempt to accommodate regional desires in this preliminary evaluation.

If the Congress adopts our recommendation, we will work closely with the States to classify routes. Regional interests will be accommodated to the extent they do not substantially increase the cost of completing the interstate routes of national significance.

NONINTERSTATE PROGRAM

Our recommendations for the noninterstate program are aimed at increasing State and local flexibility while at the same time reducing intervention of the Federal Government into what are principally State and local decisions. The administration bill would consolidate most of the existing categorical grant programs into three broad-based programs; a rural transportation assistance program; an urban transportation assistance program; and a highway safety program. In addition, there would be the continuation of the highway beautification program.

Further, the existing certification acceptance process would be expanded to apply to all Federal requirements except those pertaining to civil rights and equal employment opportunity. The current certification acceptance provision is limited to title 23 procedures. Together, these amendments would provide the States with flexible programs which in many cases would be operated using existing State procedures.

We would permit rural funds to be used for highway construction on or off Federal-aid systems, highway public transportation investments, safety improvements, and operating assistance for rural public transportation upon the completion and evaluation of the present demonstration program. Because of the interest in maintaining

a floor for investments on the Federal-aid systems, we would require at least 60 percent of the sums authorized for the rural transportation assistance program to be used for such purposes.

The urban program would make funds available for highway construction on or off Federal-aid systems, safety improvements, and any transit investment.

The safety program would consolidate the existing safety construction programs and expand them to cover projects on or off Federal-aid systems. It is modeled in large part after the safer roads demonstration program initiated by this committee. We anticipate that this consolidation and simplification will expedite progress on these important projects.

In order to further increase the flexibility of the States, up to 40 percent of the urban funds and the rural funds could be transferred from one program to the other. However, we would not permit safety funds to be transferred to any other program.

This general approach is not new. The Department has been recommending grant consolidation for several years and, unfortunately, has been confronted with grant proliferation. It cannot be denied that each of the categorical grants is focused on the achievement of a seemingly worthy objective; but taken together, these categorical restrictions reduce efficiency in the management of the program.

Both the committee and the Department recognize that now the States have the experience, the maturity, and the ability to manage sensibly the highway program. The Congress has continually emphasized the predominant State role in the program. Yet at the same time the Congress has continued to add categorical grant programs which only limit the flexibility of the States. It is time for this to change. When the Congress provided temporary 100 percent Federal funding of projects as a means of inducing employment, it also waived the various categorical restrictions that applied to noninterstate programs. We hope that this is indicative of actions that the Congress is prepared to take in developing legislation this year. We urge the committee to help make the program more manageable and more responsive to the needs of the States by consolidating the numerous grant programs.

FUNDING LEVELS

Finally, it is necessary to decide just how much money the Federal Government should be spending on highways. Obviously, such a determination cannot be arrived at in a vacuum. One must consider how much can be afforded within the overall Federal budget.

In addition, the outputs of the highway program must be evaluated, the cost of achieving those outputs must be examined, and the priority accorded the various components of the program must be carefully weighed. And in the end, one must make a judgment as to the appropriate Federal role.

When we began work on our legislative proposal, we tried to determine how much the Nation should be spending on highways and how much of that sum the Federal Government should be responsible for. We looked at highway output in terms of highway miles constructed,

in terms of money spent as a percentage of GNP, and in terms of both of these factors expressed in constant dollars to account for inflation. More importantly, we tried to gauge the impact of different spending levels on the level of service provided by the highway system.

From our perspective, we concluded that the highway system is operating reasonably well. With the exception of some major urban routes, capacity is not constrained. We find few, if any, major breakdowns in operation of the system. We further find that the level of service provided by the highway system is not very sensitive to any but the most major changes in spending. Thus, we concluded that in the aggregate, spending for highways is not seriously out of line with requirements.

The proposed legislation that President Ford submitted to the Congress would make almost $7 billion per year available for highways. This compares favorably with the 1973 Highway Act and is not unreasonable when compared with recent Federal program levels. On the average, slightly more than half of the Federal funding provided would be targeted for the Interstate System, recognizing the primary Federal interest in that program, but also reflecting the recent Federal funding experience for noninterstate programs.

Finally, I am sure the question will arise as to when the Interstate System would be completed were the Congress to adopt our proposal. Obviously, that is a function in part of future inflation as well as future funding levels. If we look only at the routes of national significance, the $17 billion cost of completing those routes included in the 1975 cost estimate has probably increased to around $22 billion to $23 billion as a result of price increases.

However, we can probably reduce this sum to $20 billion as a result of the last 18 months of program activity. In the absence of any price increases, the $20 billion in construction could be completed early in the 1980's. High inflation could easily extend this into the early 1990's without any allowance for the completion of low priority routes. Thus, early completion of the Interstate System is not a probable outcome under any reasonable legislative action on the part of the Congress at this time.

However, one must recognize that we are not starting from scratch. More than 85 percent of the Interstate System is open to traffic. Our proposal is designed to expedite completion of those inner city routes which would substantially add to that total. Thus, postponement of ultimate completion of the System is not so serious a problem as to require substantial increases in program funding or a major increase in interstate funding at the expense of other activities.

This completes my prepared statement. We have developed a proposal which we believe confronts several major porblems. We have made hard choices and on balance believe that we have taken a reasonable approach. I am quite encouraged by the opening comments of the chairman and the comments of Senator Stafford which recognize that when we approach the problem of the highway and transportation today, we should look at what the problems are today and not necessarily be bound by the decisions made in earlier years.

I for one think that in 1956 when the Congress and President Eisenhower made the determination to establish the highway trust

fund and the Interstate System, that was the correct decision in 1956. I also agree with what you pointed out, Mr. Chairman and Senator Stafford, that we have problems in 1975 which were not in existence in 1956, and this is why we all have to take a new look at the program and attempt to come up with solutions which will solve the 1975 problems.

In the months ahead, I hope to work with you to develop comprehensive highway legislation which meets the Nation's needs. My colleagues and I are now ready to address any questions you might have.

Thank you, sir.

Senator BENTSEN. Thank you, Mr. Secretary.

It is a good statement. It will be helpful in our deliberations. I am particularly sympathetic with cutting down on the number of categorical restrictions. I tried to accomplish some of that as you recall, in our conference with Members of the House who substantially disagreed. They prevailed.

You head an agency which is an umbrella for a variety of transportation needs. With the great amount of energy that is being consumed by transportation, do you think that Congress or your agency should try to bring out a coherent national transportation policy to set some overall goals in this country for transportation investment?

Secretary COLEMAN. Yes, sir; and, in fact, we in the Department are working on such a policy statement. If you don't hold me to the day, I hope to have it available by next Wednesday, assuming that my friends will do what they are supposed to do between now and next Wednesday, which means that they are going to have to do a lot of work this weekend.

Senator BENTSEN. We are looking forward very much to receiving that.

Ten years ago when the Department of Transportation Act was submitted by President Johnson, there was a section in it that gave the Department the authority to develop investment criteria and cost-benefit analysis for various forms of transportation. That was deleted in the final bill. Would you like to have that authority as Secretary of Transportation?

Secretary COLEMAN. We sure would. Even without the statutory authority, we are trying to engage in those types of services. The statutory authority would make some of our suggestions maybe just a little more effective throughout the administration, throughout the Congress, we hope, and throughout the Nation.

Senator BENTSEN. As Secretary of Transportation, have you found that it has added to your problems in trying to bring about a coordinated policy in dealing with the Congress to find one committee has the jurisdiction over water transportation, one has jurisdiction over highways and one has jurisdiction over mass transit?

Secretary COLEMAN. Sir, since I have to deal with all three of them as of now, I don't think you want to put me on the spot too much. But I guess I would say that in any merger, we don't know who would be the surviving company, so to speak. With that in mind, I haven't selected which one of the three should be the survivor of any consolidation. I agree there should be a consolidation.

Senator BENTSEN. I strongly feel that we in the Congress need to realine our responsibilities and our jurisdictions and that in turn, the executive branch, we want to see more over on that side. I am speaking of myself individually. I can't speak for all of the Congress.

Secretary COLEMAN. I agree with you that that would be a desirable approach. I think that under the leadership of President Johnson, we made the first successful attempt at that when I guess against great political opposition, he nevertheless put through the act which set up the Transportation Department.

We are trying to maximize the benefits of that consolidation. I think it would be quite helpful in the Congress if transportation problems came before one committee in each of the Houses.

Senator BENTSEN. We go along with this and we fold a number of these categories into broad categories. What happens to the program already in existence under the old categories? If they are to be folded in, what have we gotten? Have we in the rural highway system with $1.1 billion, cut urban from $1.1 to $800 million?

Secretary COLEMAN. In our proposal we are returning 1 cent of the gasoline tax to the States but I don't think our proposal cuts back money for any particular program. For example, under our proposal, the annual authorization for the rural program would be $1,050 million. Of course, as I said, we are giving back 1 cent to the States.

Senator BENTSEN. Of course, they don't have to spend it on that?

Secretary COLEMAN. They don't have to spend it on highways; but that could be one of their choices. We think it is desirable for the States to have that option.

Senator BENTSEN. One of your proposals that I assume will be one of the most controversial is allowing the States to have the final say on the environmental impact statements on NEPA and so far as highway projects are concerned.

Let me ask what role the Council on Environmental Quality had in formulating that position?

Secretary COLEMAN. The role that they had? They certainly made their viewpoint known.

Senator BENTSEN. Do you want to tell me about it?

Secretary COLEMAN. Pardon?

Senator Bentsen. Do you want to tell me about their viewpoint?

Secretary COLEMAN. Yes, sir. I have under consideration now I–66, for example, and one of the recommendations I have is that of the Environmental Quality people. That will be considered in the decision.

Could Mr. Lutz add to my answer, please, sir?

Senator BENTSEN. Yes. Were they in accord with this move?

Mr. LUTZ. As you know, any legislative proposal by a department is coordinated for clearance through the Executive Office of the President. During the review of our highway proposal, the Council on Environmental Quality, along with other agencies, commented. Their main concern with any delegation of this activity to the States was twofold: First, that the governor certify the performance of the responsibilities and that the Secretary find that the responsibilities will be carried out in accordance with the requirements of the National Environmental Policy Act. This was their first comment. That was incorporated in the bill.

The second basic requirement that they requested respecting any delegation to the States, whether it be in this program or the aviation program, which the Senate Commerce Committee will have to focus on, was that the Secretary decide on the competency of the State to exercise this authority after consultation with the CEQ. This you also will find built into our legislative proposal. We would not render a judgment on the adequacy of State participation without that consultation. So with those two factors having been incorporated into the bill, the Council on Environmental Quality cleared this proposal during the OMB review.

Senator STAFFORD. Mr. Chairman, this is a matter, is it not, that is the subject of legislation that I think is going to be in conference this afternoon between the House and the Senate? There are some routes effected currently in the State of Vermont and the State of New York. Also, I am under the impression that the matter might be litigated through to the Supreme Court at the present time.

Secretary COLEMAN. There is an appeal pending. My understanding is that the case in the second circuit is on its way to the Supreme Court.

Senator STAFFORD. Under your proposal, which also caught my eye, Mr. Secretary, and your colleagues, will the Federal Highway Administration have any supervisory role in reviewing? Will it be required to review the impact statement of the State before the matter is cleared, or will it not?

Secretary COLEMAN. Governor Tieman, who will administer the program, can speak to that more effectively than I can.

Mr. TIEMANN. Senator Stafford, the Federal Highway Administration will participate fully during the investigatory stage, the preparation of the environmental impact statement, through the hearings, and to full completion. There will be a final review at our division level, regional level, and in our headquarters. So we will have full and active involvement all the way through.

Senator STAFFORD. We look forward to seeing this specific item of legislation.

Thank you, Mr. Chairman.

Mr. LUTZ. I think it is important before leaving that topic to point out that we do have some concerns with this legislation you discussed, 3130, in that it tends to—we think the States have shown a growing capability to handle environmental problems, and that there can be valuable work done by them in terms of preparing the environmental impact statements.

We are very concerned with the implication that we would be removing that authority from the States, whether it be the States involved in that decision that you are familiar with or all the States. So we have some real concerns about that legislation in that it may or could require substantial increases in the Federal workload and deprive the States of what we think is an appropriate environmental activity in preparing the work for us.

Secretary COLEMAN. As I understand that legislation, it takes care of the situation in one particular case, but by doing that, it indicates that there may have to be changes throughout the rest of the country. We think it is the wrong way to handle the problem.

Senator BENTSEN. I seem to recall we have broadened that as to the national impact, rather than just limiting it. It was originally proposed in a very limited way.

Secretary COLMAN. As I understand it, you say what happened in the New York, Connecticut, and Vermont situation is wrong and, therefore, we are going to correct it there; but it is done in such a way that it says what happened in New York, Connecticut, and Vermont for any other case but for that situation would be correct.

So it has, I guess, what you used to call in pleading, a negative pregnant. You end up just the opposite way for the rest of the Nation where I think you would want to come out if you were to vote for that legislation.

Senator BENTSEN. Mr. Secretary, I think I want to read that statement of yours. You are a Philadelphia lawyer.

Mr. Secretary, in the legislation which, as I understand it, where you talk about assistance for the rural road system and also talk about operating systems——

Secretary COLEMAN. Yes, sir.

Senator BENTSEN [continuing]. I don't see that on the urban side. Why is that?

Secretary COLEMAN. The reason, is that the legislation you adopted just last year, the Urban Mass Transportation Act of 1974, which authorized $11.8 billion over a period of 6 years, permits a certain part of that money to be used for operating expenses in the urban community. So we have already taken care of that

Senator BENTSEN. Senator Stafford?

Senator STAFFORD. Thank you, Mr. Chairman.

I want to join in complimenting the Secretary on his statement. I do have some questions, but they are simply for the purpose of eliciting information as the basis for decisions this committee is going to have to make and not necessarily to put me in a position of opposition to the administration's proposal.

Before I act in my own behalf, Mr. Chairman, Mr. Secretary, Senator McClure—who had obligations at the present time on the floor of the Senate—asked me in his behalf to direct this question to you and your colleagues. If you find that you prefer to respond to this in writing, that of course, would be agreeable.

Here is Senator McClure's question. He says: "In testimony before the House Public Works Committee, the Association of Sate Highway and Transportation Officials testified that State and local officials have raised strong objections to the Department's metropolitan planning requirements.

"The chairman and ranking minority member of this full committee in a letter to you, Mr. Secretary, commented that DOT's definition of responsible and appropriate local officials was overly restrictive and that Congress did not intend to require communities to reassign existing decisionmaking responsibilities."

He goes on to say:

"In my own State, we have a situation where officials are elected with the specific authority to oversee streets and highways. There are not elected officials of the general purpose, local government. Under the Department's definition, as I understand it, these Idaho officials are not eligible on designating routes on the urban system. Their

authority over planning, budgeting, and deciding on project priorities is greatly diluted."

Senator McClure's question is: "Does the Department intend to see that local officials such as those in Idaho will retain the full authority granted them under State law? If so, how will your regulations be changed to bring this about?"

Secretary COLEMAN. Senator Stafford, could Mr. Lamm reply to that question? He is closer to the problem than I am.

Mr. LAMM. Senator Stafford, at the time the regulations implementing several of the urban sections of the 1973 Highway Act and other portions of title 23 were drafted, they did, in fact, cause some problems at the local level with some of the agencies which are now involved in transportation planning.

The regulations went out in draft form. We had a large number of comments back in as a result of the review of that draft, including a comment from the full Senate Public Works Committee, signed by the chairman and by Senator Baker.

In response to the comments which we have received, we would propose in the Federal Highway Administration and UMTA to modify that wording to make it clear we are not requiring the dissolution of any agency which is working well at the regional level now. The final version of the regulations is currently being reviewed in the Secretary's Office.

I believe, our revision would take care of Senator McClure's problem.

Senator STAFFORD. The administration proposes to retain the Federal aid primary and secondary systems in rural areas. It requires that 60 percent of rural funds be spent on these systems. If there is a Federal interest in these systems, why is so large a portion of the apportionment permitted to be spent on any public road, and has the administration give any thought to a revenue sharing approach to highway systems? If so, what was considered to be its drawbacks?

Secretary COLEMAN. Though I haven't talked with people on the Hill, it so happens that everybody on the Hill is not 100 percent in favor of revenue sharing. So I don't want to adversely affect our proposal that we turn 1 cent of the gasoline tax back to the States. But in effect, that does permit a State to exercise some control over part of the money.

With respect to the percentage that we established, 60–40 was our best judgment as to what would be a fair balance.

Also, we felt, particularly as we have looked further at the demonstration programs, that there is a great need in some of the rural communities for some type of public transportation programs. I am fairly sure that you know you in Vermont, it might be quite helpful to have some assistance for public transportation. Therefore, we felt that part of the money should be available for that. Also, we felt that there were roads off the Federal aid system that ought to have help from the Federal Government. Therefore, we decided on 60–40.

Senator STAFFORD. Has the administration given any thought to turning over the whole highway program excepting the interstate to the States? If this has been considered, would you tell us what persuaded you to adopt the turnback of only 1 cent of the gasoline tax rather than letting a major portion of the funds and responsibilities revert to the States?

Secretary COLEMAN. That was certainly considered, and once again not to be apologetic for the delay, Chairman Bentsen, but one of the things that took up some of our time was trying to hear out the arguments on that issue.

My judgment was that initially it should only be 1 cent. We felt that there was certainly sufficient public interest, Federal interest, and interest in the Congress that we should see first how the 1-cent turnback worked; secondly, we felt that there were demands that were of Federal significance regarding the urban program. We didn't want to create a situation where locally all of that money would be used only for highways. For these reasons, we felt that the decision we made was a proper one.

I wish that you would let Deputy Under Secretary Lutz supplement that answer.

Mr. LUTZ. Senator Stafford, that was one of the primary alternatives we did consider, as the Secretary indicated. We felt that we should adopt a more gradual approach in this area for three basic reasons. First, as the Secretary said, and as Senator Bentsen indicated, and partly because of energy considerations, we felt that having the flexibility to use funds for both public transportation and highways was crucial.

Since many of the States at this point have very restrictive statutes which would force money turned back to be used only for highways, we didn't feel that going all the way at this time was consistent with the flexibility principle.

Second, the proposal for a complete turnback and the elimination of all Federal noninterstate assistance would have some severe redistribution effects. For example, a State like Montana would have its highway program cut in half under that sort of scenario, and we felt such a severe jolt would not be acceptable all at once, given the very long history of intergovernmental relations here.

Third, and the Secretary alluded to this, the progress that this committee, working with its colleagues in the House, and that we have made in fostering an intergovernmental relationship in this program to facilitate urban planning, could be lost if we turned over or had no remaining Federal programs other than the interstate.

I think, as the Secretary said, we want to see how the 1 cent turnback would work. This would give us some experience and would certainly not rule out the possibility of going further.

But I think those three factors influenced us to try a more gradual approach at this time.

Senator STAFFORD. In various statements, officials of the Federal Highway Administration have said that the existing road system in this country is wearing out 50 percent faster than it is being replaced.

What is the basis for that statement? Whether or not that is the case, can you give us any assurance that the level of funding proposed in the administration's bill will be adequate, together with estimated spending by States and their subdivisions, at least to maintain the road system at existing service levels?

Finally, in this question, do you think it is important—that is, or high priority—to maintain existing level?

Secretary COLEMAN. I will let Governor Tiemann answer the question because he has the primary responsibility in this area, but the

day the President announced the bill, I said that the President had told me he was determined to see that the Interstate Highway System did not go the way of the railroads, and therefore, there was a responsibility to rehabilitate the System. That is the reason why in the definition section we have indicated that funds ultimately can be used for that purpose.

Governor, can you supplement my answer?

Mr. TIEMANN. Yes. The reason that we were talking about the highways wearing out 50 percent faster than we are rehabilitating them comes from the highway needs study specifically.

As an example, in 1974, total spending both for new construction and rehabilitation or maintenance at all levels of government totaled $18 billion. By 1990, the highway needs show we will need about $400 billion for the total system.

We recognize that we have to make some trade-offs here, and we believe that in our proposal the funding level is sufficient to at least adequately or reasonably adequately maintain the highways.

When I say maintain, obviously we talk about something, that is, broadening of the definition of maintenance which we have done administratively, and I think in the proposal they talk about resurfacing.

We agree to that. It doesn't mean we will fill potholes, mow weeds or plow snow, it means we can permit resurfacing.

Senator STAFFORD. Thank you.

I remember back when I was Governor of Vermont, one of the cries against the interstate was that the Federal Government might pay for building most of it, but that the States couldn't afford to keep it after it was built. So this is changed somewhat.

Mr. TIEMANN. I think one other thing ought to be pointed out, that many segments of the Interstate System now are approaching the end of their design life and will have to be completely redone.

Senator STAFFORD. S. 2078 proposes to have the Secretary apportion funds to States on the 1st day of each fiscal year. Current law requires apportionment at least 6 months in advance of the beginning of the fiscal year. What is the reason, Mr. Secretary, for the proposed change and how will it affect the program and the States for the calendar year 1976?

Secretary COLEMAN. Mr. Lutz will answer that question.

Mr. LUTZ. When we examined the situation, we were confronted with two problems. First, we did feel it was essential to keep the advanced planning, the effective part of the highway program, which permits State and local people to know well in advance what they are going to get from the Federal programs so that they can deal more effectively with their State legislators and all the other groups that they must deal with.

Unfortunately, the procedures as they now are incorporated into the law present a problem in operating under the Budget Control Act.

This means that the funds become legally available and it becomes a very tough issue of fiscal management as to how we can ever set an appropriate highway level in terms of the fiscal year.

Now with the new impoundment control procedures it becomes extremely difficult.

So we have built into our bill a provision which requires the Secretary to tell the States 7 months in advance of the start of a fiscal year what they will get. But the shift in the date will make that money legally available on that date so as to minimize the potential adverse impact on fiscal management.

We are concerned about what it would do in 1976 and as we consider ways of dealing with the 1976 problem, we recognize many States are beginning to run out of their apportionments. We must be careful we don't unnecessarily slow down the progress of the program.

Of course, as you know, we cannot apportion or they cannot use interstate funds until the Congress passes a new cost estimate.

So we still need legislative action to allow us to utilize 1977 apportionments that are currently on the books.

Senator STAFFORD. One final question, Mr. Chairman.

Mr. Secretary, the administration bill extends until October 1, 1977, the deadline for removal from the Interstate System segments for which States have not submitted schedules for completion.

Can you give us any assurance that this date will be adhered to anymore than previous deadlines which have currently had no impact?

Secretary COLEMAN. We think that this date is a practical, reasonable date, sir. When you are dealing with 50 sovereign States, you cannot ever give an absolute ironclad guarantee, but we think that by this date they will get the message and it will be done.

Mr. TIEMANN. Let me add, Mr. Chairman, and Mr. Secretary that the June 30, 1975, deadline has had at least a minimal impact because the submissions are all in now, either in our office or in the division offices.

I think the big advantage of extending the deadline is that it will give the States much more time to negotiate with the local levels of government as to what should be transferred and what ought to be substituted for mass transit.

We think the 2-year extension will work and we will keep the pressure on the States on those controversial segments to come up with that solution.

Senator STAFFORD. Thank you very much.

Thank you, Mr. Chairman.

Senator BENTSEN. Thank you, Senator Stafford. We are pleased to have Chairman Randolph with us this morning.

Senator Randolph?

Senator RANDOLPH. Thank you very much, Mr. Chairman.

I have had the opportunity to read your opening statement. I commend you for setting the stage for the Secretary and the administration as the witnesses who are with us today, and for structuring the hearings to bring to the Subcommittee on Transportation the thinking across a broad area of not only expertise, but also of concern. I think we must couple these two points of consideration as we draft this legislation.

I am sorry that I was not privileged to hear the questions of the able Senator from Vermont and others who have had the opportunity of colloquy with the Secretary or the administrator. I shall have just three questions now and then perhaps others that might be given to you for later answering.

I have a special interest in the subject of the national speed limit. In section 129 of the proposal that you bring forth, Mr. Secretary, there is an amending of the car pool provision in the Emergency Highway Energy Conservation Act. That law also contains the national 55-mile-per-hour speed limit provision later made permanent by Public Law 93–643.

Please give us your assessment of State compliance, insofar as you can, with this law and how the administration is enforcing this requirement.

Secretary COLEMAN. Sir, we agree with you that the adoption of the 55-mile speed limit was very, very desirable legislation.

As you know, it was adopted primarily because of the energy problem. It turned out to have a side effect which we think perhaps is as desirable as the energy saving; namely, that it did result in the cutting down of deaths on the highway.

The day I was sworn in as Secretary, in his opening remarks, President Ford actually said that one of my tasks was to enforce the 55-mile speed limit.

We do require a certification from the Governor. We have also set up other procedures in the Department to make sure that it is enforced and enforced effectively.

It is a joint responsibility of the Highway Administrator and NHTSA to carry that out and we are doing everything we can to make sure that it is observed.

Senator RANDOLPH. Let's use the word "extreme," perhaps. Funds can be withheld from the States if there is not enforcement of this law.

Secretary COLEMAN. Yes, sir.

Senator RANDOLPH. Are you keeping current with what is being done, in State enforcement organizations in compliance efforts?

Secretary COLEMAN. Yes, sir. Governor Tiemann can give you the details.

Mr. TIEMANN. Mr. Chairman, we are in process now of securing from all of the States actual language of the law required by each legislature to comply with the Federal law.

We are compiling that presently. Then we will assess whether or not these penalties that each State has in its law in any way subvert what the congressional intent might have been or what the congressional intent actually is.

Then we will have to make a judgmental decision as to whether the law is sufficient. Beyond that, as Secretary Coleman has indicated, NHTSA and the Federal Highway Administration have the joint delegation of monitoring the enforcement procedures.

These first steps that I indicated a moment ago are the ones that we are presently engaged in. We are implementing a program of enforcement monitoring which we think will be sufficient and stringent enough and, of course, the ultimate is the application of sanctions which would amount to a withholding of project approval of Federal highway funds.

Senator RANDOLPH. Governor Tiemann, do you have any reports from the States which you would make a part of the record so that it will appear in the hearing when printed?

Mr. TIEMANN. Yes, sir. We will furnish all of the information we have to date.

[The information requested follows:]

- SUMMARY OF STATEMENTS OF COMPLIANCE

ALABAMA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions, which provisions are found in Title 36 §5(2) of the Alabama Code.
Penalty provisions:
a. $100 maximum fine; or
b. 10 days in jail.
No points.
No size and weight information.

ALASKA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. speed in excess of 55 m.p.h. - penalty exceed $200, confinement for not more than 90 days, or both.
Points system in force:
a. 3 to 9 m.p.h. over limit - 2 points
b. 10 to 19 m.p.h. over limit - 4 points
c. 20 or more over limit - 6 points
Accumulation of 12 or more points within any 12 months results in the suspension or revocation of license.
No data on size and weights.

ARIZONA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions;
a. $100 maximum fine; or
b. 10 days in jail.
No points.
No size and weight information.

ARKANSAS - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. first offense - penalty not to exceed $100 or 10 days in jail.
b. second offense - penalty not to exceed $200 or 20 days in jail or both.
c. suspension of license at the discretion of the magistrate.
No points.
No data on size and weights.

CALIFORNIA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions. See California Vehicle Code, §42001 Infractions and special misdemeanors.
Penalty provisions:
a. $50 maximum fine (first conviction)
Point system in effect.
No size and weight information.

COLORADO - conforms to the requirements of 23 CFR §658.6

The Statement of Compliance contains all necessary information.
Penalty provisions:
a. $25 fine for the first offense.
Point System is in effect and provides for license revocation or suspension after a set number of points are accumulated.
No data on size and weight.

CONNECTICUT - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $100 maximum fine for any speeding violation.
Points - 4 points assessed for each violation - license suspension for an accumulation of more than 10 points.
No size and weight information.

DELAWARE - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions which are to be found in Title 11 §4202 "Classification of misdemeanors" (11 §4202(a) and (c); see also 11 §4207(d).
Penalty provisions:
a. $250 fine (maximum) - discretion of the court.
No points.
No size and weight information.

FLORIDA - conforms to the requirements of 23 CFR §658.6
Statement of Compliance conforms in all respects.
Penalty provisions:
a. $500 maximum fine (judicial discretion)
No points.
No size and weight information.

GEORGIA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not include penalty provisions. See §68-1626; §27-2506 (Code of Georgia Ann.).
Penalty provisions:
a. $1,000 maximum fine; or
b. 12 months in jail; or
c. both
Point system in effect.

HAWAII - conforms to the requirements of 23 CFR §658.6

Statement of Compliance contains all info.
Penalty provisions:
a. $100 maximum fine; or
b. 10 days in jail (max.)
Point system in effect.
No size and weight information.

IDAHO - conforms to the requirements of 23 CFR §658.6

The Statement of Compliance contains all necessary info.
Penalty provisions:
a. maximum fine $5 for exceeding 55 m.p.h. (normal fines for violating speeds in force prior to the institution of the 55 m.p.h. requirement)
b. no jail sentences imposable.
Point system suspended for violating the 55 m.p.h. limit.
Size and weight data included - also enforcement data.

ILLINOIS - conforms to the requirements of 23 CFR §658.6

The Statement of Compliance does not contain the penalty provisions. See Attachment to Statement of Compliance.
Penalty provisions:
a. $100 maximum fine for the first conviction
b. 10 days in jail
No point system.
No size and weight information.

INDIANA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all repsects.
Penalty provisions:
a. $100 fine maximum; or
b. 10 days in jail; or
c. both.
No points
No size and weight information.

IOWA - confroms to the requirements of 23 CFR §658.6

Statement of Compliance contains all necessary information.
Penalty provisions:
a. $20 fine - minimum up to ten m.p.h. over the limit.
No points.
No size and weight information.

KANSAS - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $500 maximum fine for the first offense.
Point system in effect with provisions for license revocation in force.
The penalty provisions for license revocation in force.

KENTUCKY - conforms to the requirements of 23 CFR §658.6

Statement of compliance contains all required information except for the penalty provisions. See State statutes for penalty provisions.
Penalty provisions:
a. $10 minimum - $100 maximum;
Point system in force.
No size and weight information.

LOUISIANA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. speed in excess of 55 m.p.h., first offense - penalty not to exceed $100.
b. speed in excess of 55 m.p.h., second offense - penalty not to exceed $500.
c. imprisonment can be imposed.
No point system.
No data on size and weight requirements.

MAINE - conforms to the requirements of 23 CFR §658.6

The Statement of Compliance does not contain sanctions. They are to be found in the State file (55 m.p.h. files).
Penalty provisions:
a. $10 to $100 fine range - judicial discretion.
No points.
No size and weight information.

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MARYLAND - conforms to the requirements of 23 CFR §658.6

Statement of compliance conforms in all respects.
Penalty provisions:
a. violation of the 55 m.p.h. limit is a misdemeanor.
b. $500 fine for first violation (maximum).
c. $1,000 fine for second violation plus a prison sentence.
Point system is in effect.
No information as to size and weights.

MASSACHUSETTS - conforms to the requirements of 23 CFR §658.6

Statement of compliance does not contain penalty provisions. See Mass. Stats. Chapter 90 §20.
Penalty provisions:
a. $25 maximum fine (1st offense).
No points.
No size and weight information.

MICHIGAN - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $100 maximum fine; or
b. 90 days in jail.
No points.
No size and weight information.

MINNESOTA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions. See §609.03(3) of the Minnesota Statutes.
Penalty provisions:
a. $300 maximum fine; or
b. 90 days in jail. (both maximum)
No points.
No size and weight information.

MISSISSIPPI - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions, which provisions are contained in Mississippi Code 63-9-11.
Penalty provisions:
a. $50 maximum fine; or
b. 5 days in jail.
(The Speed limit provisions limit the sanctions to 1/2 of the normal sanction imposed - the normal sanctions imposed is $100 maximum fine or 10 days in jail. If the violator is speeding more than 70 m.p.h., the normal penalty provisions are fixed.)

No points.
No size and weight information.

MISSOURI - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions; which provisions are found in Title 38 §556.270 of Vernon's Ann. Missouri Stats.
Penalty provisions:
a. Maximum $1,000 fine; or
b. 1 year in jail - maximum.
No points.
No size and weight information.

MONTANA - conforms to the requirements of 23 CFR §658.6

Statement of compliance conforms in all respects.
Penalty provisions:
a. State statute says in part:
"A person violating the speed limit imposed . . . is guilty of the offense of unnecessary waste of a resource currently in short supply and upon conviction shall be fined not to exceed five dollars ($5) and no jail sentence may be imposed.* * *"
There is no point system in force.
No size and weight provisions.

NEBRASKA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $10 maximum fine if the violator is not speeding in excess of 10 m.p.h. over the limit in Interstate highways.
Point system - no points assessed if violator is less than 10 m.p.h. over the 55 m.p.h. limit on Interstate routes.
No size and weight provisions
The statute in force at this time is a temporary measure only.

NEVADA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not include penalty provisions. See Nev. Rev. Stats. 484.251; 193.150.
Penalty provisions:
a. $500 maximum fine; or
b. 6 months in jail; or
c. both.
No points.
No size and weight information.

NORTH DAKOTA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. more than 55 m.p.h. but less than 70 m.p.h. - $20
b. more than 70 m.p.h. - $40
Point System remains the same with points being awarded for violations for the 55 m.p.h. limit.
There is no data on size and weight requirements.

OHIO - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $50 maximum fine for violation of the 55 m.p.h. limit, first offense; $100 maximum fine for the second offense.
Point system in force.
The m.p.h. speed limit is permanent in nature.
No information on size and weights.

OKLAHOMA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions; which provisions are found in Title 47 §11-807 (Oklahoma Stats.).
Penalty provisions:
a. not less than $10 nor more than $200 fine; or
b. not less than 5 nor more than 30 days in jail.
No points.
No size and weight information.

OREGON - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions. See O.R.S. 483.990(3).
Penalty provisions:
a. $100 maximum fine; or
b. 10 days in jail; or
c. both.
No points.
No size and weight information.

PENNSYLVANIA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $10 maximum fine for violation of the 55 m.p.h. limit upon summary conviction; plus costs of court; default results in five days in jail
No point system.
The penalty provisions are minimally adequate

No information on size and weights.

RHODE ISLAND - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions. See §31-41-2 General Laws of Rhode Island.
Penalty provisions:
a. 1 to 5 m.p.h. over posted limit $13.50
b. 6 to 10 m.p.h. over the posted limit $18.50
c. 11 to 15 m.p.h. over posted limit $23.50
No points.
No size and weight information.

SOUTH CAROLINA - conforms to the requirements of 23 CFR §658.6

The Statement of Compliance does not contain the penalty provisions. They are found in S. C. statutes - Chapter 7, §46-689.
Penalty provisions:
a. $100 maximum for the first offense; or
b. 30 days in jail.
Point system in effect.
No size and weight information.

SOUTH DAKOTA - conforms to the requirements of 23 CFR §658.6

The Statement of Compliance does not have penalty provisions attached, but they may be found in the State files in the Chief Counsel's Office.
Penalty provisions:
a. $100 fine - maximum for the first offense;
b. Jail term of not more than 30 days.
No point system.
No size and weight provisions.

TEXAS - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $1 to $200 fine range - discretionary with the County Judge.
No point system in force.

TENNESSEE - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions. See Tenn. Stats. Title 59, 59-1023.
Penalty provisions:
a. $2 to $50 (fine range); or
b. 30 days jail maximum ; or
c. both.
No points.
No size and weight information.

UTAH - the Statement conforms to the requirements of 23 CFR §658.6

All materials requested are in order.
Penalty provisions:
a. misdemeanor - $300 maximum fine; or
b. six (6) months in jail
No point system.
No information on size and weights.

VERMONT - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $100 maximum fine; or
b. not more than 30 days in jail
No points.
No information on size and weights.

VIRGINIA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. not less than $10 nor more than $100 (1st violation);
b. jail term of not less than 1 day nor more than 10 days; or
c. both.
No information on size and weights.

WASHINGTON - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions;
a. $250 maximum fine (discretion of the judge); or
b. 90 day jail term - maximum.
No points.
No size and weight information.

WEST VIRGINIA - conforms to the requirements of 23 CFR §658.6

Statement of Compliance does not contain penalty provisions. See Chap. 17 §17A-11-1 West Virginia Code.
Penalty provisions:
a. $10 to $100 fine range
Point system
No size and weight information.

WISCONSIN - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. fine range - $20 to $200 (judicial discretion)
No points.
No size and weight information.

WYOMING - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $100 maximum fine for violation of the 55 m.p.h. limit. (Look to the provisions in the regular fine schedule in the Highway Traffic Statutes)
No point system in force.
The Governor's order setting the fifty-five mile per hour limit expires on July 1, 1977.

PUERTO RICO - conforms to the requirements of 23 CFR §658.6

Statement of Compliance conforms in all respects.
Penalty provisions:
a. $50 maximum fine; or
b. 10 days in jail.
No points.

Senator RANDOLPH. Are there one, two, or three States that seem to be enforcing this measure?

Mr. TIEMANN. I think most of the States are at least attempting to enforce the measure as best they can with the limited number of enforcement officers that they have.

I think some States obviously are more in compliance than others are. I think the level of compliance effort generally is dictated by the attitude of the State legislature in enacting a law. We have had the whole gamut of reactions from the legislatures. Some virtually thumb their nose at the Congress and the Federal Government by saying, "We don't intend to comply with the law or even the enacting law because we don't believe there is an energy problem."

Administrator Gregory, and I personally visited with some of the Governors in those States, and members of the legislature.

In those instances we have been able to turn their attitude around and they have then passed a law. But it is very, very difficult. It is not a popular piece of legislation.

I would guess, Senator Bentsen, especially in Texas, when we dealt with the legislature down there, they were very, very reluctant. You said, "You have never been in west Texas where there is nothing."

I said, "Yes, I am from Nebraska and it is the same there."

But we are deadly serious. We made statements publicly that we are not kidding, that we will push them, shove, if I could paraphrase one of my own statements.

Secretary COLEMAN. It has been my experience, Mr. Chairman, that the Governors have acted quite responsibly because I know on several occasions I have had telephone calls from a Governor when he has had to fight in the legislature and he has actually stood up on this issue and tried to the best of his ability to make sure that the legislature did what would have to be done under Federal law.

Senator RANDOLPH. Mr. Secretary, I addressed letters on three occasions to all of the Governors of the States and we have yet to have a Governor indicate his displeasure with what the Congress has done.

Some have not been able to say just what is happening in their particular State. But most of the responses were enthusiastic, indicating that those States, through their enforcement agencies, would try to give attention to compliance with the law.

Secretary COLEMAN. Mr. Chairman, you have been quite helpful. I know your interest and I know you are helpful, and we appreciate it very much.

Senator RANDOLPH. I believe that our enforcement officers could better use their time than in writing overtime parking tickets. They could be out, frankly, on the Interstates watching the movement of traffic, not only the personal car, but the moving of our productivity of America from the farms and the fields and the factories to the consumers.

I just make that suggestion and include it as a part of the record. I thought we should mention it here today.

The second subject, Mr. Chairman, is bridge replacement. In keeping with the idea of consolidating categories in the legislation that you have brought, the administration bill, there is no provision for the important area of bridge replacement except to state that no

more than 30 percent of the highway safety funds can be spent on this type of activity.

There is an extreme need for bridge projects to be brought into being, and I hope they can be undertaken.

You will recall that in 1970 our committee made special provision for the upgrading of bridges and for new bridges.

The national bridge inventory has indicated that there are 7,061 critically deficient structures. That causes me to ask you: Do you think that it was advisable for you to exclude the funding mechanism for these projects in a major highway construction proposal such as we are going to consider here?

Secretary COLEMAN. Mr. Chairman, I read your statement, and it is a problem that we have considered, and I would appreciate it if you would let Mr. Lamm answer your question, please.

Senator RANDOLPH. Yes. Thank you.

Mr. LAMM. Mr. Chairman, you are dealing with a problem which we did consider at the time we were formulating the legislation which you have before you now.

In each case when we dealt with the category of Federal financial assistance, we were faced with the decision as to whether or not the type of priority occasioned by a separate program should be continued.

In the case of a bridge replacement program, we thoroughly agree with you that the States must continue to devote a large amount of their own highway improvement effort to the correction of substandard bridges in the future.

However, every single Federal-aid program which we have here is available for bridge improvements.

You did mention that there is the 30-percent limitation on the safety improvement program. But the rural and the urban funds as well are available for bridge improvements.

It was our consideration that the separate category of bridge replacement funds, the very existence of this category, somewhat shifted the States' priorities, and we actually found that in many cases, bridges which could have been improved this year under another program category such as rural primary were being deferred for a future year because they were able to qualify for bridge replacement funds.

If the bridge replacement program dollarwise, was to stay at about the same level that it had been shown in the 1973 highway legislation, the actual problem faced by the States in correcting all of their bridge deficiencies would be a problem of long duration.

It would not be available to be corrected within a short period of time.

We did make this trade-off, and as a result you are correct in stating that we as a calculated effort did remove the subject of bridge categories as a specific program.

Secretary COLEMAN. Mr. Chairman, to complete the answer, there is money available to take care of the bridges. We are pretty sure the States will do that. That is one of the reasons why our recommendation was that the 2 cents go into the general fund because we wanted to see whether the States would spend the money in a rural program and the urban program in a way which would be consistent with national policy and the interest of the Congress, and we know the

interest with respect to the bridges. If they don't do that, then obviously we would make a change.

Senator RANDOLPH. Thank you, Mr. Secretary.

Mr. Lamm, I want to say that I think the amount of money which has been used on this category, which is so important a part of our highway program, has been too small an amount year after year, year after year.

Therefore, the problem itself becomes more acute. That is why I indicated that I think, Mr. Chairman, we must look very closely at this recommendation in the bill before us, understanding your intense interest that we give adequate attention to provide adequate funds.

Secretary COLEMAN. Yes, sir.

Senator RANDOLPH. A final question, Mr. Secretary: On May 1 and on June 5 of this year, I requested by letter to you the consideration of creating a position of Assistant Secretary for Rural Affairs within the Department of Transportation.

We adopted, I want to make it very clear, such an approach on urban transportation.

I am confident it contributed significantly to the intensity of effort that is now being made in the urban area.

What attention are you giving to the proposal which I set forth in those two communications?

Secretary COLEMAN. Sir, I have to be perfectly honest and frank with you. To the best of my knowledge, and this is not because you didn't send them, but I have not seen either letter. I really apologize. I will go back this afternoon, and I hope within a week I can give it to you.

I would like to say to you that at our last Cabinet meeting, the President instructed all Cabinet officers to shape up with respect to handling congressional correspondence and we will put in a system within a week so that whenever someone from the Congress writes a letter, there will be a quick response. The Secretary will know about it and you will have the substantive answer within 7 days.

So I just apologize, sir.

Senator RANDOLPH. Mr. Secretary, I must not be picayunish, but I received a response to my first letter.

Secretary COLEMAN. Well, you must have received a response—the way the system works—which said I acknowledged receipt of your letter, and I will look into the matter.

Senator RANDOLPH. No. It didn't say that.

Secretary COLEMAN. Really? I am embarrassed. There is no sense of my trying to kid you. I am never going to come up here and not give you the accurate facts. To the best of my knowledge, I have not seen either letter.

Senator RANDOLPH. I am certain of that.

Secretary COLEMAN. I apologize.

Senator RANDOLPH. I am certain of that. I have had to say the same thing many times. I am only saying that your first response was not receptive to what I was proposing.

So I made the second appeal stronger than the first.

Secretary COLEMAN. All I am saying is that is the best proof, I never got the letter, because if, as chairman of a committee, you ever wrote me a letter, if I were not going to be responsive, I think I would

come up here and talk with you before I would write such a letter. That is the best proof I know. I know I never got the letter now, sir.

Senator RANDOLPH. Thank you, Mr. Secretary, Mr. Administrator, and Mr. Lamm, for your comments in connection with the matters that we have discussed.

Thank your, Mr. Chairman.

Secretary COLEMAN. Mr. Chairman, I would like to say I did have the opportunity to read your statement, Senator Randolph. I really appreciate the statement. I think it really demonstrates a continuation of the leadership you have exercised in this whole field and to the extent that we have a good program today, I think it is in large part based upon your leadership. I know that, if we can work together, we can continue that. In fact, when I read the statement, I said, I wish I had written it. There is only one paragraph that I couldn't sign off on 100 percent, and that is the paragraph where you say that you think the funding level in our proposal is inappropriate and too low.

With respect to that, I would like to have meaningful discussions with you and Chairman Bentsen so we can come up with a mutually satisfactory level.

Senator RANDOLPH. I am sure, Mr. Secretary, that if you could say that you agreed with all that I set forth except just the matter of funding, this is a happy morning for me. [Laughter.]

Secretary COLEMAN. Seriously, I really do. I have no problem. I wish I had written it myself save for that one paragraph.

Senator RANDOLPH. Thank you, Mr. Secretary, The concern of the able chairman of the Subcommittee on Transportation as to funding is something that he has discussed with me, with other members of our committee. It will be a matter of very careful consideration and certainly all of us would welcome opportunities for exchange on this particular subject.

Thank you, Mr. Chairman.

Senator BENTSEN. Thank you, Mr. Chairman.

Mr. Secretary, your proposal, your administrative proposal and that of your colleagues this morning are very substantive and obviously was a part of considerable debate and interest, concern and we will be hearing from a substantial number of witnesses who will be expressing their views and thoughts for our consideration.

We appreciate your attendance this morning, the comments you have made and such realignments you are going to make on communications to your office.

Secretary COLEMAN. Thank you.

[Whereupon, at 11:40 a.m., the subcommittee recessed, to reconvene at 9:30 a.m., Friday, July 18, 1975.]

[Responses from Secretary Coleman to additional written questions from Senator Bentsen follows:]

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

October 6, 1975

Honorable Lloyd Bentsen
Chairman
Subcommittee on Transportation
Committee on Public Works
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your request of July 28, 1975, that we supply answers to a number of questions relating to the July hearings of your Subcommittee on the extension of the Federal-Aid Highway Program.

Please find enclosed the responses we have prepared for entry into the hearing record.

Sincerely,

William T. Coleman, Jr.

Enclosures

Q. No. 1 On July 30, we will be discussing National Transportation Policy, attempting to determine exactly where the highway program will fit in a multimodal network. What do you personally believe to be the correct Federal priority to place on the highway program, in competition with other transportation modes for Government funding?

A. Like all industrialized nations, the United States is dependent upon its transportation system. From the national perspective, the highway network is the most widely used component of this transportation system. Traditionally, in terms of Federal expenditures, it has received the highest priority.

We see a major Federal role in the completion of the Interstate System and some continuing Federal responsibilities to participate in the reconstruction and rehabilitation of Interstate routes in the future. We look to State and local governments to take the primary responsibility for improvement of roads not on the Interstate System, although we expect that Federal assistance for these purposes will be provided in the foreseeable future.

From the national standpoint, the most pressing transportation problems facing the Nation are not

highway problems. Rather the improvement of our railroads and the expansion of mass transit both have higher priority. This does not, however, mean that Federal expenditures for these purposes should exceed Federal spending for highways. Solution of our railroad problems requires a determination of Federal responsibilities relative to those of the private sector as well as a complete overhaul of our regulatory system. Transit expansion, while important, has much more limited application than the highway program. Further, we see primary responsibility for transit improvements being vested in State and local governments.

Q. No. 2 What is the basis for funding levels of the proposed assistance program?

A. There is no single figure which can identify the correct level of spending. The funding in our proposed bill reflects both historical trends and our evaluation of the operation of the highway system. We believe that, by and large, the highway system is operating well. There are no major breakdowns nor any major restraints on capacity except in some of our larger cities. Further, from our analysis, we have concluded that even relatively large changes in highway spending will not significantly affect the operation of the highway system.

Our proposal would make available almost $7 billion per year which could be used for highway construction. The funding levels in our bill reflect our view of the relative priority that should be assigned to the different programs as well as our belief that more responsibility should be vested in State and local hands. Finally, we have developed our proposal with an eye to overall Federal spending as reflected in the President's budget.

Q. No. 3 a. How many States are currently using their 1976 Interstate apportionments?

A. Thirty four.

b. What percentage of the Interstate apportionment has each State used to date?

A. The following list shows percentage of apportionment used through June 30, 1975.

State	Percentage	State	Percentage	State	Percentage
Alabama	84	Louisiana	26	Oklahoma	87
Arkansas	83	Maine	53	Pennsylvania	66
California	76	Michigan	56	S. Carolina	95
Colorado	41	Mississippi	99	Tennessee	94
Florida	47	Missouri	65	Texas	84
Georgia	82	Montana	45	Utah	66
Hawaii	99	Nebraska	89	Vermont	89
Idaho	93	Nevada	98	Washington	26
Indiana	98	New Hampshire	61	W. Va.	93
Iowa	98	New Mexico	76	Wyoming	99
Kansas	67	North Carolina	94		
Kentucky	98	North Dakota	34		

c. How many States will run out of their Interstate apportionment by the end of the calendar year?

A. It is likely that about thirty (30) of the above listed States will exhaust the 1976 Interstate apportionment before December 31, 1975.

Q. No. 4. What effect would the proposed elimination of the primary urban extension program have on the administration of transportation programs within particular urbanized areas in a State?

A. The urban extensions of the Federal-aid primary system are to be included in the urban system. These urban extensions of the Federal primary system are arterial routes and currently receive separate funding. Other arterial routes in urban areas are funded from the urban system funds. Thus, responsibility for projects on arterial routes are currently handled in two different ways. On arterial routes that are urban extensions of the primary system, the States set the priorities. On the arterials on the urban system, the State and local officials determine priorities. By redefining the Federal-aid urban system to include all arterials and providing a single source of funding through the urban transportation assistance program, we have provided for a common program for all arterial routes. The State and local governments can thus determine priorities and projects in a more uniform manner, thus allowing better management of our urban transportation programs.

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Q. No. 5 The Senate Public Works Committee, in developing the Federal-Aid Highway Act of 1973, tried to build flexibility into certain categories contained in that legislation. One of these provisions allowed urban systems funds for highway projects to be transferred for use on transit projects. How much of this urban systems money was transferred to transit projects in fiscal year 1975? In your opinion, why was so little utilized? Was any of the $200 million allowed for purchase of bus equipment used?

A. $15.7 million of urban system funds was approved for non-highway public mass transit projects in FY 1975 bringing the total to $50.4 million. Such projects have so far used a negligible amount of apportioned funds, including those for FY 1975 from which bus purchases may be financed up to the $200 million legislative limitation. Total bus purchases have amounted to $15.6 million in three cities with another $2.4 million for bus storage and maintenance yards in two other cities.

This program is experiencing a startup delay common to new programs. For example, the TOPICS (traffic operations) program took four years to take hold. The emphasis on local initiation and implementation of projects has required special State and Federal efforts to assist local governments, planning agencies, and particularly transit agencies to develop effective organizations and

procedures for the program. There has been some indication also that the local agencies are choosing to reserve urban system funds for backlogged highway projects and to seek additional funds available under the Urban Mass Transportation Act of 1964 at a lower matching ratio.

Q. No. 6 Please provide us with a list of all highway-related programs in which States are showing a lack of interest as reflected in the laws level of obligation. What programs are not moving because of administrative restrictions imposed at the Federal level? For programs which are not moving because of absence of State initiative, can you provide us with apportionment levels and obligations for fiscal year 1975?

A. The obligations in all of the Federal-aid highway programs progressed at a good rate during fiscal year 1975. The table below shows this progress for the major program areas.

Progress of Programs
($ millions)

Program	FY 1975 Apportionment	FY 1975 Obligations	Percent*
Interstate	2,921	4,015	137
Rural Primary	684	1,090	159
Rural Secondary	384	483	126
Urban Extension	288	349	121
Urban System	758	368	49
Planning (HPR & PL)	106	158	149
Safety**	468	444	95

*Percent FY 1975 obligations are of FY 1975 apportionment.

**Rail-Highway Crossings, High-Hazard Locations, Roadside Obstacles, Safer Roads Demonstration, Bridge Replacement, and Pavement Marking Demonstration.

As the table shows, the only two major program areas which did not have obligations that exceeded 1 year's apportionment were Safety and Urban Systems. The Safety Construction Program must still be considered a fairly new program (with the exception

of Bridge Replacement) and therefore we did not expect a very high obligation level for FY 1975. The realistic goal of $250 million in obligations for FY 1975 was far exceeded by the actual obligations of $444 million.

The Urban System obligations have lagged behind what we had hoped. There are no indications that the reason is a lack of interest on the part of the States. The reasons are more likely administrative difficulties at the State level. This is likely because some States have had higher obligation levels even though the overall total is low. For instance, while nationwide, only 35 percent of the total urban system apportionments for fiscal years 1974-76 have been obligated through FY 1975, some States have done far better, indicating they have overcome their administrative difficulties. For instance, Arizona has obligated 73 percent, Florida 76 percent, and Georgia 66 percent.

In January of this year, we queried the States on this issue. Most often mentioned were start-up problems for a new program (many new urban system provisions in the 1973 Highway Act changed the character of the program

considerably), organizational and staffing deficiencies, and delays in establishing the urban system.

There is no indication, therefore, that any of the States are showing a lack of interest in any of the major Federal-aid highway programs. Administrative restrictions imposed at the Federal level do not appear to be causing any significant delays as indicated by the substantial total obligation level in FY 1975.

Q. No. 7 We have received many negative comments on the realignment of the secondary system. Could you provide the committee with the Department's perspective on this criticism? What would be the effect of deleting the word "major" from the administrative regulation concerning rural collectors under realignment procedures?

A. We have received many of the same comments, reflecting the concern of many who fear that the functional alignment of the secondary system would drastically reduce the mileage on the system and thus exclude many highways from eligibility for improvement with Federal funds.

Some State and local officials are concerned because, based on a strict interpretation of the results of the 1973 National Highway Needs Report, the potential impact of the realignment of the secondary system could be a possible reduction of between 50 and 60 percent of the existing rural secondary system mileage. Although we can understand this concern, we believe it may be overstated because our recently published regulations and procedures for implementing the realignment are more flexible than was the case for national study purposes. The State and local governments are not bound to the results of the

national studies. They will have the opportunity to reanalyze the functional classification.

However, the realignment will still result in a reduction in the mileage on the secondary system. We believe that the limitation of the secondary system to major collectors should be maintained. However, to provide State and local officials with sufficient flexibility to address problems on roads which are not on any Federal-aid system, up to 40 percent of the funds authorized for the rural transportation assistance program included in our proposed legislation would be available for investments on off-system roads.

Q. No. 8 In a statement prepared for delivery to the Subcommittee on Transportation, you announced that ". . . under our proposal there would be as much money available for highway construction as there is under the present program." Later you indicated that "new revenues" would be available to the States using the tax preemption plan. Your comments imply that the fiscal posture of State road programs would not be jeopardized by the adoption of the Administration's recommended bill. Yet North Dakota, for example, would receive only $18.3 million ($16 million from the Interstate program plus $2.3 million if the preemption proposal is adopted by the State). This is $21.5 million less than the State is apportioned under existing law. Could you provide evidence to show that your Rural Transportation Program will pick up this shortfall in North Dakota and other States similarly situated?

A. Comparison of the rural transportation assistance program alone with present Federal programs does not provide a true picture of the proposed legislation. The program level of $1,050,000,000 must be viewed in context with the provision for the States to adopt 1 cent of the current Federal gasoline tax. Adoption of this tax by all the States would bring in approximately $1 billion of revenues. These revenues could be expended in accordance with State priorities.

In fiscal year 1976, North Dakota was apportioned $28.8 million for non-Interstate System Federal-aid highway programs. Under the proposed bill North Dakota would receive an estimated $20.2 million for the non-Interstate

System programs and could raise an estimated $3.0 million through the State advantage of the 1-cent gasoline tax preemption provision. In addition, North Dakota is nearing completion of its portion of the Interstate System. Interstate System apportionments not needed to complete the Interstate System could be used on other highways.

Q. No. 9 In your prepared statement you told of Administration efforts to determine the Federal responsibility for highway programs. In making this determination, did you consider Interstate maintenance a Federal or State responsibility? Could you list the categorical programs authorized by law and explain which you consider to be a proper Federal responsibility and why? How did the local use of revenue sharing money for transportation purposes affect your determination of the appropriate Federal responsibility?

A. The matter of Federal aid for maintenance was studied in preparation of this legislation. It was determined that maintenance should best remain a State responsibility for all highways. This is in agreement with the desire of most of the States. The States could use the revenues from the 1-cent gasoline tax preemption for maintenance according to their own priorities.

The paramount Federal interest is in the Interstate System. The degree of Federal interest in other programs varies. For this reason we have proposed consolidation of about two dozen programs into three. A balance is retained between the rural and urban programs. Federal interest and emphasis is continued through a separate highway safety improvement program.

The rural and urban transportation assistance programs

include all the highway programs covered under the Federal-aid highway and off-system programs (except the Interstate System). This allows the State and local governments to expend the funds where most needed rather than be limited to the amounts available under narrow categorical programs. The attached comparison sheet shows into which of the consolidated programs present Federal-aid programs are merged.

We do not consider local use of general revenue sharing for transportation purposes. General revenue sharing was designed to complement existing federally assisted categorical programs. For this reason locally determined priorities for education, public safety, etc., should not be used for the objective determination of what the Federal responsibility is in the Nation's highway program.

Comparison of Federal-Aid Programs for Fiscal Year 1976
with Consolidated Program Eligibility to be Proposed by the
Department of Transportation for Fiscal Years 1977-1980

Categorical Programs Fiscal Year 1976	Consolidated Program Eligibility				
	Inter-state	Urban Transportation Assistance Program (UTAP)	Rural Transportation Assistance Program (RTAP)	Highway Safety Improvement Program (HSIP)	Other
FEDERAL-AID SYSTEMS					
Interstate	X				
Primary Rural			X		
Secondary Rural			X		
Urban Extensions FAP-FAS		X			
Urban Systems		X			
Priority Primary		X	X		
Urban High Density		X			
Rural Off-System Roads			X		
SAFETY CONSTRUCTION					
Rail Highway Crossing		X	X	X	
Bridge Replacement		X	X	X	
High Hazard Location		X	X	X	
Roadside Obstacles Elimination		X	X	X	
Rail-Highway Demonstration		X	X	X	
FA Safer Roads Demonstration Program		X	X	X	
PUBLIC DOMAIN					
Forest Highways			X		
Public Lands Highways					X
MISCELLANEOUS					
Economic Growth Center		X	X		
Alaskan Assistance		X	X		
Alaska Highway					X
Rural Highway Public Transportation Demonstration			X		
Great River Road		X	X		
Pavement Marking Demonstration	--	--	--	--	--
Pavement Marking R&D	--	--	--	--	--
TERRITORIAL HIGHWAYS			X		
HIGHWAY BEAUTIFICATION					X
DARIEN GAP					X

X indicates program eligibility

Q. 10. Apparently you consider the Federal responsibility to rural transportation to be about $1 billion. Could you relate this figure to the estimated costs of alleviating rural road deficiencies, to rural road construction needs, and explain how you decided that $1 billion was the appropriate Federal figure. If you have any calculations to justify your determination, please provide them to reprint in the record of the hearings.

A. The distribution of program funds between urbanized, small urban, and rural areas is based on the distribution of relative highway needs in these areas. Based upon the 1974 Highway Needs Report, rural needs accounted for 47 percent, needs in small urban areas represented 6 percent, and needs in urbanized areas accounted for the remaining 47 percent. The Administration bill would provide for small urban improvements being funded from the rural transportation assistance program. Therefore, within a total $1.8 billion annual authorization for the urban and rural assistance programs, 55 percent, or $1 billion is requested for rural and small urban assistance.

The costs of meeting all rural road construction needs identified by different levels of government and included in the 1974 Highway Needs Report would indeed require vastly increased investments by all levels of government, and would be far beyond available resources. However, it should be understood that while providing a reasonable measure of relative need among the 50 States, the Highway Needs Report does not represent a reasonable measure of desired investments. The relative level of highway improvement that the Nation buys decreases with each additional dollar spent so that we would wind up paying an enormous price for relatively modest service improvements if, in fact, we allowed investments to reach the levels included in the Highway Needs Report. To maintain the present performance capabilities and level of service, however, does not require such high spending levels. We believe $1 billion of Federal resources coupled with anticipated State and local efforts will sustain system performance on our rural roads at their present levels, providing, of course, that inflation is kept in check.

Q. No. 11 County and Township officials have claimed that the Federal bridge inventory and court rulings holding their governments liable for damages arising from suits for negligence and nonfeasance have combined to force them to commit all available resources to the repair of structures that are outdated. This has prejudiced normal road repair and maintenance programs. Please comment on this assertion.

A. It is recognized that the National Bridge Inspection Standards, developed cooperatively with the American Association of State Highway and Transportation Officials in compliance with the 1968 Federal-Aid Highway Act, have resulted in the discovery and identification of a greater number of structurally deficient bridges. Many hazardous bridges have been closed or posted for reduced loading. It is also highly probable that the need for replacing deficient bridges has resulted in economic hardships to State and local governments. We have no direct knowledge of or comments concerning the increased liability for damages arising from suits of negligence and nonfeasance to force local governments to repair structures that are outdated, but we do believe that the discovery and identification of structurally deficient bridges through a standard bridge inspection program does substantially decrease the liability of local governments for accidents and fatalities that might result from unknown structural deficiencies.

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